



Earth Markets

Save Money — Save the Planet!
One Community at a Time

Mainstreaming Market Demand

Efficiency Cities Network

June 8, 2010



Earth Markets

A People-Planet-Profit Social Enterprise

What We Do

Program design, management and consulting to accelerate & aggregate demand for residential energy efficiency

Mission

Empower communities to provide homeowners with easy, measurable and affordable solutions to reduce energy usage and costs, using the strength of environmental markets & energy finance and the power of community engagement & social marketing

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What Makes Us Unique...

Our Expertise

- Experts in policy, finance, marketing, program design & management
 - Policy expertise includes residential energy efficiency financing models, alignment of program incentives with regulatory environment, energy efficiency credit markets

Our Comprehensive Program Approach

- Strategic partners, including SmartPower
- Neighbor-to-Neighbor Energy Challenge program model

Our Analytical Capabilities

- “Investment-worthy” Energy Efficiency – robust modeling, measurement & verification, metrics



Consumer Marketing – A Powerful Bag of Tricks Learn and Use Them!

All these tools need to be adapted, tested and refined for energy efficiency and the public sector

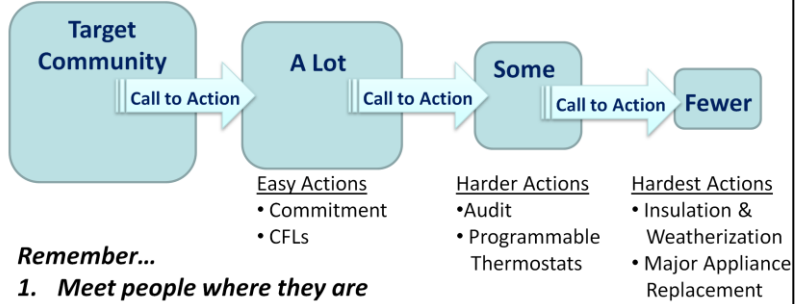
- **Consumer research and market research**
- **Integrated marketing strategies**
 - Branding, database marketing, direct marketing, viral marketing, PR, in-kind, sponsorships, event-based, programming
- **Community outreach and campaign tactics**
- **Behavioral strategies**
 - Goal-based commitments, social norms, community-based social marketing, choice architecture
- **Customer relationship management**
 - Lifetime value of a customer
 - Up-sell, cross-sell, pull-through

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Special care has to be taken with issues of integrity/trust and personal privacy/data concerns – especially when working with communities





No “wild west” marketing tactics! Need to be very thoughtful about how marketing strategies are adapted

Start a Conversation – And Don't Stop



Remember...

- 1. Meet people where they are**
- 2. Hang onto everyone you meet/recruit**
- 3. Keep converting them up the “food chain”**
- 4. This will take time – plan for it and keep things fresh!**
- 5. Measure everything**
- 6. Adapt!!**

			
131,163 tons paper	4.69 million dollars	6,528 MWh electricity	207,902 therms gas

CASE STUDY


Neighbor to Neighbor Energy Challenge

A Community Energy Savings Project

Submitted to U.S. DOE Competitive EECBG Program – Topic 2

Goal: Target participation of **10 percent of households** to set specific, measurable stretch goals of **20 percent for energy savings and clean energy usage**, and provide a portfolio of actions and support to assist in achieving these goals.

Community: 14 towns in Connecticut with 260K residents and 97K households, mix of suburban densities and rural



Developed a comprehensive program design for a community-scale residential program, the “Neighbor-to-Neighbor Energy Challenge – A Community Energy Savings Project” encompassing marketing, community outreach, behavior strategies, measurement & verification, monetization of aggregated savings in market-based transactions, and performance incentives.

OBJECTIVES

1. Get residents on a “*food chain of sustainable energy usage*” by increasing their levels of household energy savings and clean energy usage through a comprehensive portfolio of actions that are supported by community-based social marketing, a personalized online platform, performance-based rewards and incentives and consumer financing;
2. Demonstrate the value of aggregated residential energy savings and clean energy usage in energy and environmental markets (e.g. energy efficiency and renewable portfolio standards and carbon markets) with the intent of attracting potential investors into the residential sector by measuring and verifying program impacts and then valuing those impacts; and
3. Develop a replicable and scalable model by continuously analyzing the efficacy and economics of each element of the program model at various phases of implementation.

Our approach is practical and scalable – borrowing from successful operational and business practices in direct marketing, political campaigns, outsourcing, and financial services. Our competitive advantage is in the combination of key competencies, which give us scalability and operational efficiency lacking in this market:

1. State-of-the-art consumer marketing techniques – including direct marketing, private label and the latest behavioral science
2. Community based social networking and grass-roots platform – including performance-based rewards
3. Outsourcing process management – integrated program management, vendor approval process, field training program
4. Platform for creating “investment-worthy” energy savings through robust measurement & verification – which can support a traditional lending model or monetization of aggregated energy savings in a variety of environmental markets

Prove that Marketing + Finance = Scalability

Community Strategies: competitions & incentives, social networking and campaign tactics

Consumer Marketing: brand & direct marketing messages, shaped by the latest behavioral research

Environmental Finance: access to financing and/or new revenue streams for aggregated energy savings enable no- or low-cost measures for consumers

The Solution A Comprehensive Approach That Adapts

Incorporating best practices from across New England and the US...



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Based on over 2 years of research on what's working across the country and here in CT

COMMUNITY OUTREACH & MARKETING:

- Consumer-focused marketing messages – tailored to specific demographics, delivered by trusted messengers
- Community-based field marketing and outreach supported by robust online platform
- A no-hassle approach for consumers to undertake specific actions
- Goal-oriented community commitments and performance-based community rewards can encourage household actions

BEHAVIOR CHANGE

- Goal-based behavioral strategies
- Ongoing education and feedback to support persistence
- A social context including competitions, comparisons, rewards and recognition

ACTIONS THAT ARE EASY TO UNDERTAKE

- We bring them to you, tell you what's available, what to focus on
- Start with easier things: energy efficient lighting, in-home assessments,
- Move up to weatherization, solar thermal water heating, and purchase of clean energy

FINANCING

- Has to be affordable, overcoming any barriers to action
- No or low up front cost, financing options for deeper measures
- Quantifiable energy and demand savings



Neighbor to Neighbor Energy Challenge Program Model

Community-based social marketing strategies

- Local grassroots organizing and community outreach combined with online platform, marketing, friendly competition between neighborhoods/groups/towns

and...performance-based rewards at the municipal level

- Town sets a goal vs. a baseline, is eligible for awards based on hitting resident participation/savings milestones

to...accelerate and aggregate demand for residential efficiency programs

- Provided by the utilities through a contractor network, and includes home assessments, retrofits and financing

then...track and report back to towns and residents their collective outcomes

- Participation rates, homes retrofitted, energy/\$ saved, emissions reduced, jobs created, energy efficiency credits produced, carbon offset equivalent, etc. ⁷

Neighbor to Neighbor Energy Challenge

Partners & Roles



Program Administration <i>Overall program coordination, community incentives, grants admin.</i>	Earth Markets: overall program management Clean Energy Fund: grants management
Community Outreach, Education & Support <i>Including an on-the-ground Clean Energy Corps</i>	Clean Water, Student Conservation Association
Marketing <i>Media, PR, viral and web-based strategies, promotional materials</i>	SmartPower, Efficiency 2.0
Online Platform	Efficiency 2.0
Energy Efficiency & Renewable Energy Measures <i>Lighting, HES, retrofits, CTCEO, solar thermal water, PV, financing</i>	Energy Efficiency Fund, Clean Energy Fund, Earth Markets, AFC First Financial
Evaluation, Measurement & Verification	MIT, Earth Markets, Efficiency 2.0

Formed strategic alliances for program delivery including best-in-class non-profit and for-profit organizations: Student Conservation Association; SmartPower; Efficiency 2.0; Clean Water Fund; and MIT. Shared goal of the partners is to pilot the model in Connecticut then replicate elsewhere; negotiated a memorandum of understanding among the parties.

In addition to the 14 municipalities in Connecticut, also recruited two state utility ratepayer funds, and a lending partner to participate in a pilot and jointly apply for federal competitive Block Grants

Important to note that this program model relies on integrating w/ existing state programs, and their costs are included in the metrics shown on the next slide.

Neighbor to Neighbor Energy Challenge Project Impacts & Metrics (Lifetime)

Projected Program Impacts

- 8000 households reached – from simplest to most involved actions
- 386 Job-Years Created or Retained
- \$147 Million in Household Utility Savings across 8000 households
- 248,726 MTCO₂ of Emissions Reductions
- 1,769,356 MMBtu's of Energy Reduced

Program Model Metrics – For Comparison w/ Other Program Models

- 21.7 Million Btu's saved per \$1000 invested – *2x better than DOE benchmark of 10MM*
- Cost of Saved Energy \$.037 per kWh, \$.030 for EE only – *vs. incumbent EE ratepayer fund programs at \$.045*
- \$266 household acquisition cost – *too high for a traditional lending/financing model?*



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