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SONOMA COUNTY ENERGY INDEPENDENCE PROGRAM  
PARTICIPANT STUDY SUMMARY

FEBRUARY 2012

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## Executive Summary

This study was conducted by Ygrene, Data Instincts, and the Sonoma County Energy Independence Program (SCEIP) to understand the level of participant satisfaction in the SCEIP program and to determine areas of needed improvement. SCEIP provided the participant database and Ygrene and Data Instincts jointly developed the interview questions and conducted the interviews. Ygrene analyzed the results and authored the project summary.

Interviews were conducted with 15 participants representing 9 residential property owners and 6 commercial property owners. The interviews sought to understand how and why property owners decided to participate in the SCEIP program, their level of satisfaction with the project contractor and the SCEIP process, the financial and efficiency results of each individual retrofit project, and to gauge participants' overall impressions of the program.

The interviews revealed that all of the participants had considered energy efficiency retrofit projects prior to hearing about the SCEIP program. Nearly all had previously researched other ways to finance their projects, including standard bank loans and energy rebates, and had determined them to be cost prohibitive. In the end, most of the participants opted for SCEIP financing because they liked the funding mechanism. It was described as "easy" and most participants liked that the assessment was attached to the property and not the owner. Generally, most of the residential property owners delayed before actually applying for SCEIP financing, but once the application process was complete, both groups began their projects within a month.

The role of contractors in the success of the program became clear during the interview process. The majority used contractors with which they had a previous relationship. In fact, many participants had learned about the SCEIP program from their contractor. Most participants received an average of three bids on their project before deciding on their contractor. The projects were based mostly on the work that needed to be done, and almost half were based specifically on the contractor's recommendation. It was also clear that the quality of work that the contractor provided reflected directly on the program as a whole.

There was overwhelming support and approval of the SCEIP process. All of the residential participants reported no issues during the implementation of their project. The majority of those interviewed were very impressed with the level of customer support and service provided by the SCEIP staff. They described the staff at the Energy Center as extremely knowledgeable and helpful. The consistent message in the interviews was that the participants were extremely satisfied with the ease and convenience of the entire process. They described it as quick, easy, and streamlined and nothing like the mortgage process.

The feedback on the results of the projects was mixed. Almost half of those interviewed could not quantify the increase in their yearly property taxes as a result of the SCEIP assessment. On the other hand, all but one of the residential property owners understood the savings on their yearly utility bills.

There were four participants (2 residential and 2 commercial) that had both tax increase and utility saving data available. Of the four, two had their project costs offset by utility savings. Additionally, most of those interviewed reported that they had modified their energy usage behavior as a direct result of their SCEIP project. Specifically, the trend was to increase energy conservation after the project was completed, as participants said that they had already made the commitment to lower energy use when they decided to implement their SCEIP project.

The overall impression of the SCEIP process was extremely positive. The average rating of the program, out of 5, was 4.7 across all participants. The vast majority reported that they had told others about the program and that they would finance another project using the SCEIP funding model. There was consensus that an online application system would be useful. The major area of improvement needed was reported to be better marketing and outreach. Participants suggested: direct mail, referrals, advertising when permits are applied for, and signs in the yards of completed projects. The other improvement area most often discussed was the need to lower the interest rate. While many were pleased with the option to pay off the assessment within the first year, many mentioned that the interest rate was too high.

### **Recommendations**

- Increase SCEIP marketing and outreach to ensure that this program is being utilized to its full potential. Outreach should include both business partners and direct to consumers. Implement some of the suggestions provided by the survey participants: direct mailings, referrals, advertising when permits are applied for, and neighborhood signage.
- Develop specific case studies of projects that have had their costs offset by utility savings.
- Initiate a tracking/rating system for program contractors to better monitor successes and failures.
- Lower the program interest rate to be more reflective of low risk interest rates in a down economy. Offer incentive interest rates for participants who sign shorter term agreements.
- Provide better education and outreach to title companies and realtors to avoid problems with home sales that have PACE upgrades.

## 1.0 Purpose & Objectives

The purpose of this survey was to gather input from SCEIP participants in order to determine their level of satisfaction with the program, level of convenience in the process, and recommendations for improvement. The specific areas of interest were:

- Program awareness and participation
- Contractor experience
- SCEIP process
- Project results
- Overall impressions

## 1.1 Methodology

The In-Depth Interview technique or (IDI) was employed for this effort. This investigative technique uses a one-on-one or small group approach for information gathering, which allows for a free and open exchange.

The survey was conducted over a small sample size of 15 participants. The intent was to interview 10 residential participants and 10 commercial participants: in the end, we were successful in interviewing 9 residential and 6 commercial participants. The staffs at Ygrene, Data Instincts, and SCEIP all attempted to recruit more commercial participants but were unsuccessful. The interviews that were conducted represented projects that were both energy efficiency and renewable projects, projects funded both above and below \$28,000, and also projects completed before and after the FHFA residential loan ruling in which Fannie Mae and Freddie Mac were not allowed to underwrite mortgages with property tax liens for energy retrofits.

Because of the small study sample size and recruitment techniques employed, it should be understood that the IDI technique seeks to develop deeper insights into and understanding of the people and issues involved, but the findings are not intended to be scientific or statistically applicable to a larger population.

## 2.0 Core Findings:

### 2.1 Participation

- Generally most residential participants delayed before applying, but after applying both groups began their projects very quickly.
- 60% heard about the program from contractors.
- All had considered EE projects prior to hearing about SCEIP, 70% had previously researched other ways to finance.
- 80% opted for SCEIP financing because they like the mechanism, 30% of residential participants were waiting for a way to finance a project that they were already interested in doing.

### 2.2 Contractors

- 60% of program participants used contractors with whom they had a previous relationship.
- Most got 2-4 bids for their project (the average was 2.9).
- The projects were based mostly on the work needed to be done (60%), and almost half were based on the contractor's recommendation.

### 2.3 SCEIP Process

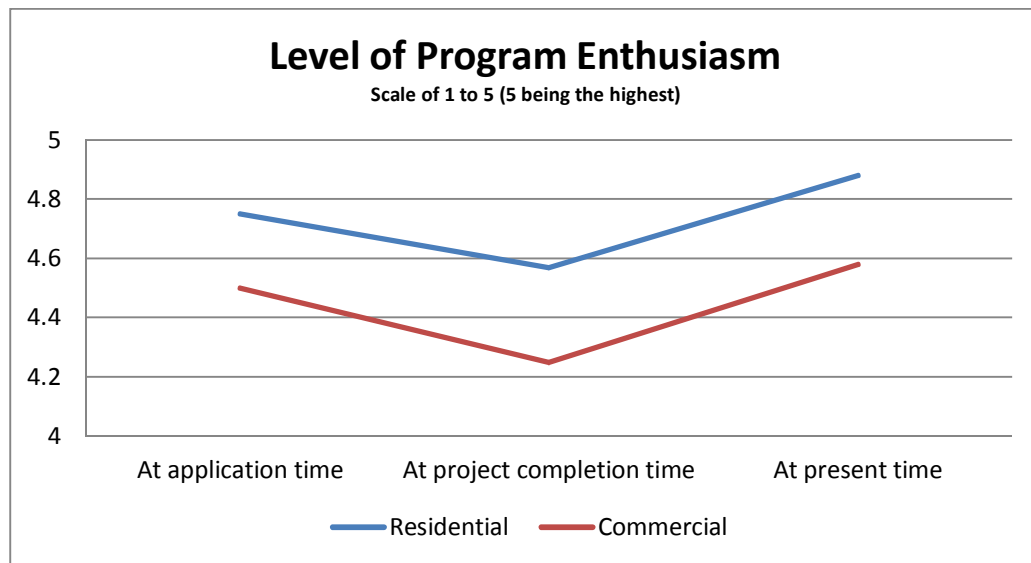
- There was overwhelming approval of the SCEIP process and satisfaction in the customer service provided by the SCEIP staff.
- 100% of the residential participants reported having no issues with the program during implementation.
- Two-thirds of the commercial participants reported having issues. Fern Grove Cottages had a problem when the inspector came to sign off on the project. However, they volunteered that the SCEIP office quickly assisted and cleared up the issue. Kunde Winery had an issue with being promised a free billboard about their participation. The billboard was installed and then removed due to a legal problem but the winery was billed for the billboard nonetheless. Paradise Ridge had major problems with their contractor. Most notably, the contractor finished the installation and then neglected to turn on the unit for over 2 months.
- Specific comments: "Really smooth", "Quick, easy, streamlined", "Great staff", "High level of customer service", "Easy from start to finish."

### 2.4 Project Results

- 40% of the participants have had their property appraised since the completion of their project. Half of those properties have increased in value.
- 40% of the participants were unsure how much their property taxes had increased after project completion.
- Only one residential participant did not know the savings on their utility bill after completion of the project. Of the remaining 8, the average monthly savings was 65%.

- Of the participants that had both tax increase and utility saving data available (2 residential, 2 commercial), 2 had their costs offset by savings, 2 did not (50/50 in both sectors).
- Two-thirds reported that they had modified their energy usage behavior in favor of increased conservation after the SCEIP project.
- On a scale of 1 to 5, the average rating of participants' home's comfort level after the project was completed was 4.43.
- On a scale of 1 to 5, the average rating of the improvement to the noise level in their home after the project was completed was 3.71.

## 2.5 Overall impressions



- 92% of the participants told others about the SCEIP program.
- 80% of the participants would finance another project using the SCEIP financing model.
- 80% of the participants would use an online application if available.
- 100% of the participants were pleased with the level of service and support that SCEIP provided throughout the process.
- On a scale of 1 to 5, the average rating of the SCEIP program overall was 4.7.
- The overwhelming suggestion for improving the program was to increase/improve marketing/advertising and communication. Some suggestions were for direct mail advertising, signs in yards of participants, postcards and/or emails to friends of participants, or a referral program.
- Other Improvement suggestions:
  - Better/more extensive list of retrofits that qualify for the program.
  - Online project tracking
  - Lower interest rate
  - Variable interest rate

## 2.6 Important Comments/Specific Issues:

- One participant had an issue closing his house sale. Two days before the sale was due to close, the title company asked him to pay off the SCEIP assessment during escrow and informed the buyer's realtor. The seller explained that it was a property tax assessment, SCEIP assisted and agreed, but the buyer refused to continue the sale without the assessment being paid off. The seller had to hire a lawyer and ended up negotiating a 50%/50% split of the assessment that had to be paid at close through escrow. The seller felt that title companies need to be better educated.
- Ability to pay off in a year is important – it was mentioned several times.



## Discussion Guideline Questions

Name: \_\_\_\_\_ Company Name: \_\_\_\_\_ Date: \_\_\_\_\_

### Phase 1 - Prior to project happening

#### 1. What type of business do you own/operate? (Commercial)

#### 2. How did you hear about SCEIP?

- Contractor referral
- Personal referral
- Community event (Harvest Fair, Home Show, etc.)
- Local news article (PD / NBBJ)
- Print advertising (newspaper/magazine, tax bill insert)
- Billboard
- Radio / TV advertising
- Web banners / web advertising
- Other: \_\_\_\_\_

#### 3. Had you thought about installing energy efficiency / renewable energy upgrades before learning about SCEIP?

- Yes
- No
- Comments: \_\_\_\_\_

#### 4. Did you research other ways to finance your upgrades?

- Yes
- No
- If yes, what other kinds of financing? \_\_\_\_\_

#### 5. What was the primary reason you decided to use SCEIP financing?

- Already wanted to do a retrofit but was waiting for a way to do it
- Interested in renewables / EE / green
- Wanted to save money on monthly energy bills
- Liked the financing mechanism of property tax assessment
- Other: \_\_\_\_\_

#### 6. Would you have moved forward with your project had you not received SCEIP financing?

- Yes
- No
- Maybe
- Comments: \_\_\_\_\_

7. How long after hearing about SCEIP did you decide to apply?
- Less than 1 month
  - 1-3 months
  - 3-6 months
  - More than 6 months
8. How long after completing your application did your project begin?
- Less than 1 month
  - 1-3 months
  - 3-6 months
  - More than 6 months

Ok – Let’s talk about your experience with your contractor.

9. How did you select a contractor?
- Yellow pages / web search
  - Previous relationship
  - SCEIP website “Find a Contractor” tool
  - Other: \_\_\_\_\_
10. How many bids did you get?
- 1
  - 2-4
  - 5-9
  - 10+
  - Comments: \_\_\_\_\_
11. How did you decide on your project’s scope?
- Based on the work that needed to be done
  - Based on the financing that could be obtained
  - Based on contractor recommendation
  - Other: \_\_\_\_\_
  - Comments: \_\_\_\_\_

## Phase 2 – From project application to project completion

12. What worked well for you during the SCEIP project process?
13. Did you have any issues with the program during project implementation?
- Yes
  - No
  - If Yes, what were they?
    - Contractor
    - Project timeline
    - Financing
    - Permitting
    - Logistics (convenience)
    - Other
    - Comments: \_\_\_\_\_

**Phase 3 – After project questions**

14. Have you had your property appraised since the project? (Commercial if they own property)

- Yes
- No
- If yes, has it appreciated?
  - Yes
  - No
  - Comments: \_\_\_\_\_

15. Do you know the increase to your property taxes as a result of the project?

- Period (annual or semi-annual payments) \_\_\_\_\_
- Pre project property taxes \_\_\_\_\_
- Post project property taxes \_\_\_\_\_
- Dollar / percentage increase \_\_\_\_\_

16. What have your average monthly energy savings been since project completion?

- Original Energy Bill: \_\_\_\_\_
- Post-project Bill: \_\_\_\_\_
- Dollar / percentage savings amount: \_\_\_\_\_

17. Have you modified your energy use since project completion?

- Yes
- No
- Comments: \_\_\_\_\_

18. Is your home/workplace more comfortable since project completion? (On a scale of 1 to 5, 5 being a yes, 1 being a no)

1                      2                      3                      4                      5

19. Is it quieter? (On a scale of 1 to 5, 5 being a yes, 1 being a no)

1                      2                      3                      4                      5

**FINAL QUESTIONS:**

20. What was your level of enthusiasm for the project when you applied? (On a scale of 1 to 5, 5 being the highest, 1 being the lowest)

1                      2                      3                      4                      5

21. What was your level of enthusiasm for the project upon completion? (On a scale of 1 to 5, 5 being the highest, 1 being the lowest)

1                      2                      3                      4                      5

22. What is your level of enthusiasm for the project now? (On a scale of 1 to 5, 5 being the highest, 1 being the lowest)

1                      2                      3                      4                      5

**23. Does your business have a sustainability plan? How do your improvements feed into it? Does it help your marketing for your business to be green and/or associated with SCEIP? (Commercial Only)**

24. Did you tell others about SCEIP?

- Yes
- No

25. Would you finance another project with SCEIP?

- Yes
- No

26. If an online application were available, would you use it instead?

- Yes
- No
- Comments: \_\_\_\_\_

27. Were you pleased with the level of service and support that SCEIP provided throughout the project process?

- Yes
- No
- Comments: \_\_\_\_\_

28. What suggestions would you make for improving the process from start to finish?

29. As a program overall, how would you rate SCEIP? (On a scale of 1 to 5, 5 being the highest, 1 being the lowest)

1                      2                      3                      4                      5

30. What suggestions do you have for us as we embark on creating a similar program in other communities?