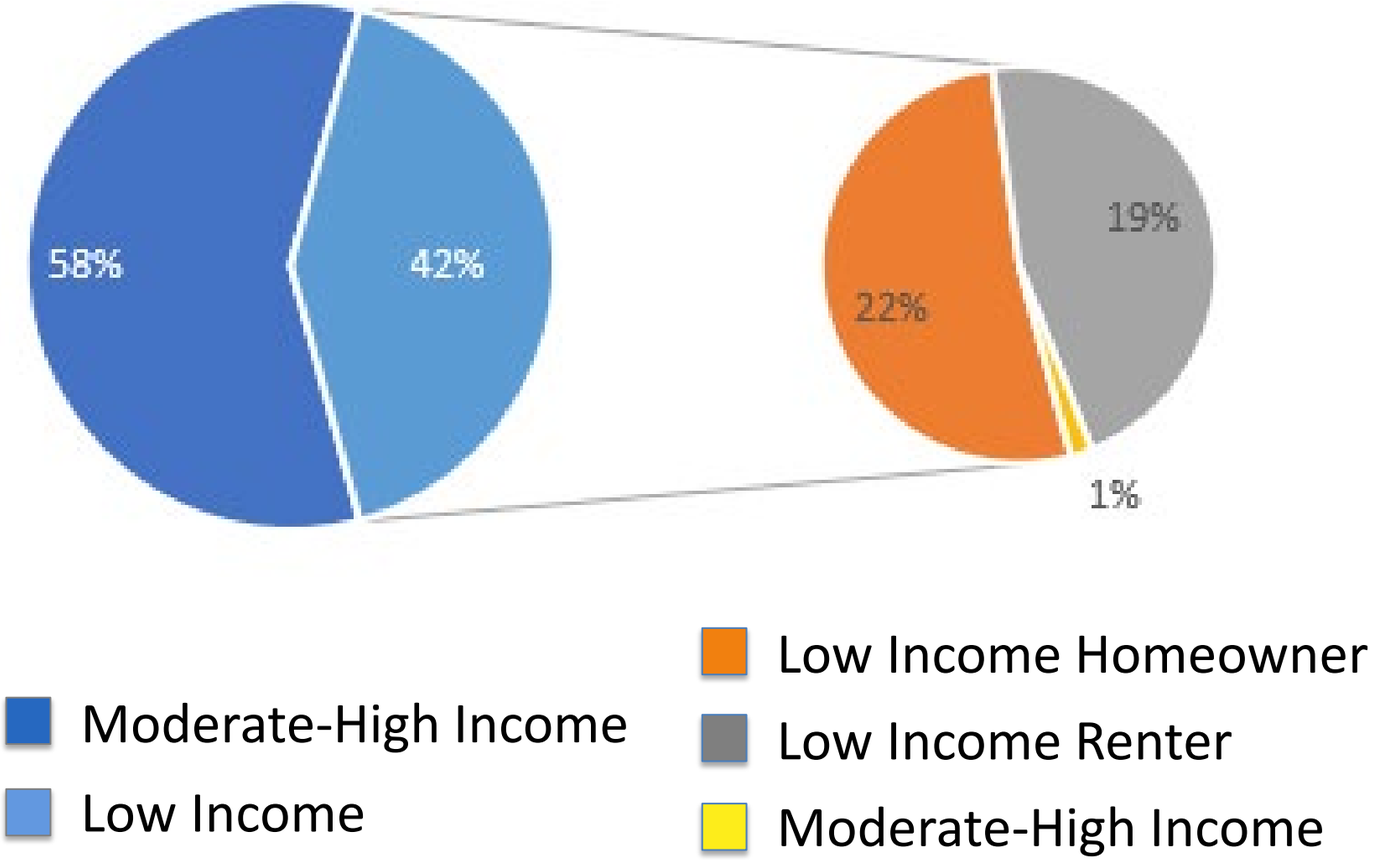
Serving Underserved Households

Results, Insights, & Recommended Outreach Strategies from Low-Income Consumer Centric Research Study

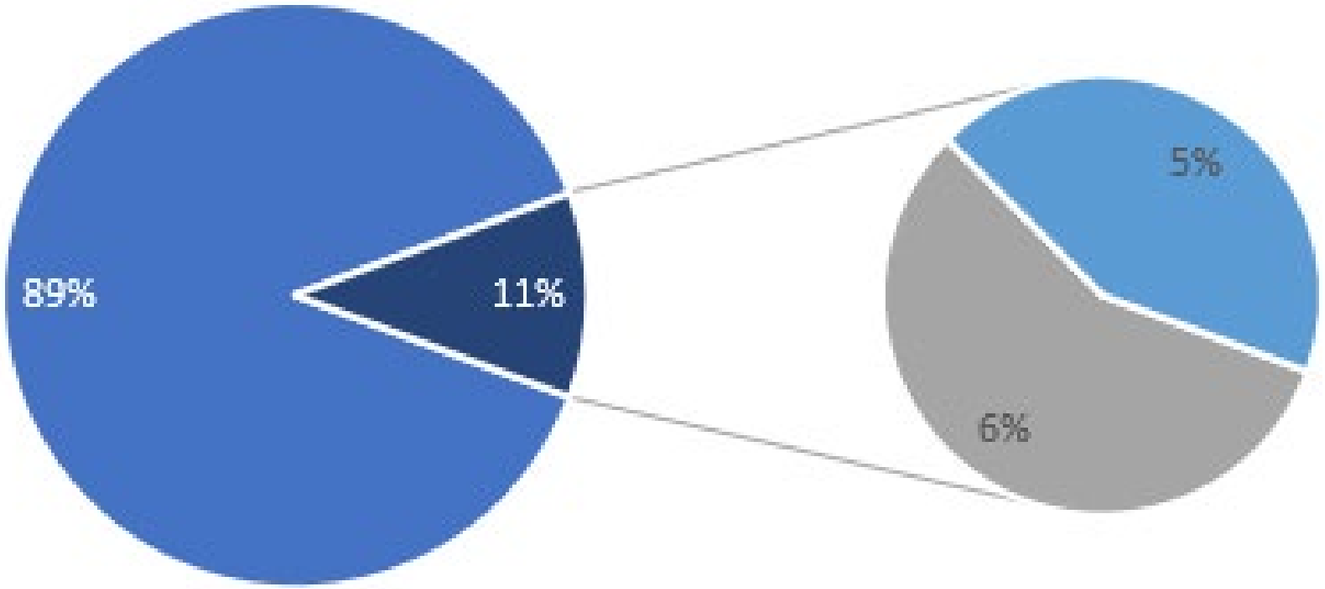
Topline Demographics: Low-Income

Low-Income Households



RECS, 2020

Self-Identified Hispanic Low-Income Households



RECS, 2020

Existing Insights on Low-income Engagement

ELECTRICITY MARKETS & POLICY

Grass-Roots Channels Engage Low-Income Audiences Best

Other channels shown to boost engagement:

- Social media
- Mobile apps
- Digital or mailed Home Energy Reports (HERs)

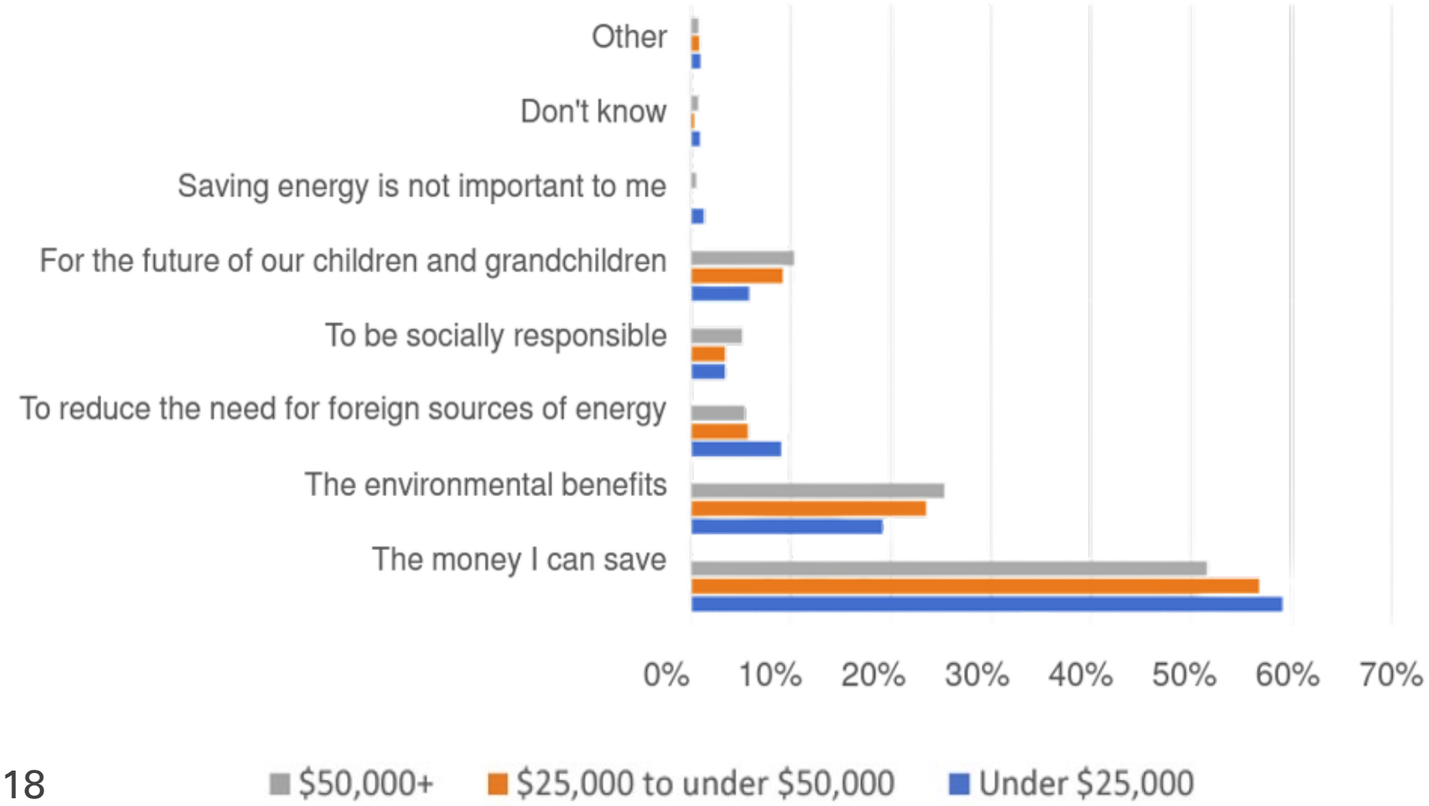
Channels most effective in small, multicultural communities empower members of the community:

- Energy education and advocacy
- Technical skill sets needed to help others in their network carry out upgrades

Avista Energy's Energy Resource Van help engage Rural Communities in energy efficiency programs.

Cost-Savings Motivate Low-Income Audiences Most

Figure 2 - Consumers' most important reason to save energy



SECC, 2018

Also, when equipment fails or needs repair

PNNL & Illume, 2021

Low Awareness & Trust are Major Engagement Barriers.

"To help with energy efficiency upgrades"	Low Income	Moderate Income
Yes (NET) 33%	**33%**	**33%**
Yes, from my electricity provider 23%	18%	24%
Yes, from a government agency or program 9%	13%	8%
Yes, from a non-profit organization 5%	7%	4%
Yes, from somewhere else 3%	4%	2%
No 67%	67%	67%

Base: All Respondents (n=1000); Low Income (n=290), Medium Income (n=710)
Q_AssistanceAware. Are you aware of any financial assistance programs or discounts to help pay for your electricity bill or energy efficiency upgrades/technology?

Low-Awareness/Trust

- Confusion on how to get assistance
- Skepticism of zero-cost assistance programs
- Fear of loosing financial assistance or residency

SECC, 2020

Transparent and Empathetic Messages Resonate.

San Diego Gas & Electric, 2019

Transparency:

- Messages that state *how* and *why* a program is free

Empathy:

- First-hand testimonials of experienced benefits
- Using testimonials as their core messaging strategy, SDGE secured 56,000 new LI program enrollments.

ENERGY STAR/C Plus C Qualitative Research

Serving Underserved Households

Low-Income Consumer Research Results

EPA

Objectives

- Gauge awareness, attitudes, and behaviors around:
  - **Home energy efficiency**
  - **Beneficial Electrification (IDEA E)**
  - **Heat pump heating/cooling & water heating**
- Understand the **role of rebates and IRA incentives**
- Understand prioritization of **trusted messengers** for communications
- Test benefit statements to understand **top motivators**

Methodology	Live online triad interviews
Length	90 minutes
Format	Online qualitative discussion over Zoom
Sample Size	N= 86 homeowners & renters • 59 English-speakers • 27 Spanish-speakers
	• 4 audiences per each climate region.
Audience	• National sample excluding California, Alaska, and Hawaii

*Income limits were calculated using FY 2023 low-income limits (80% of area median income) set by the Department of Housing and Urban Development (HUD). Low-income is defined at the regional level, using averages of state level limits for both metro and non-metro areas.

Home Energy Upgrades

Key Findings:

- Saving energy is important, because saving energy = saving money
- High barriers (cost, overwhelm) discourage LI consumers from considering proactive upgrades

Top Barrier to large home energy upgrades is COST

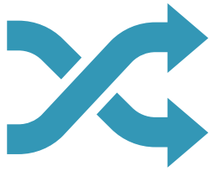
- Upfront costs
- Time to recoup investment
- Expensive retrofitting
- Cost of electricity

Higher concentration of older homes in the NE region

For some, gas is cheaper than electric in their area and therefore say electric appliances would *increase* their monthly bills.

Other barriers include…

Overwhelm



Competing priorities

Extreme temperatures

Lack of Spanish Resources

Due to the high barriers, **most won't consider proactive upgrades.**

“Idea E”
(Beneficial Electrification)

Key Findings:

- Most understand Idea E and agree with the need to move away from fossil fuels but have questions and concerns – the top one being cost.
- Most say Idea E sounds good *in theory* but there are concerns about who will pay for the transition and the practicality of implementation.

- Most understand the basic idea and agree with the need to move away from fossil fuels.
- Yet, there are strong concerns about **who will pay for this transition** and how soon it will happen.
- Other major concerns involve…
  - Not wanting the switch to be forced
  - Skepticism about the environmental benefit
  - Concern about the technologies' quality and dependability

"Who is going to pay for it?"

Clean energy equipment, and maintenance are more expensive.

Clean energy itself is more expensive, hence utility bills will increase.

Public spending for infrastructure and support programs will fall on taxpayers.

Heat Pump Technology
Initial Reactions

Key Findings:

- Awareness of heat pump technology is very low
- Initial reactions are positive, with high interest in learning more
- Similar to Idea E, many have questions and concerns around actual cost savings and how well the technology works

Low awareness: Across segments, very few had heard of heat pumps.

- Renters and Spanish-speakers generally have lower awareness than English-speakers.

High interest: Initial reactions are largely positive across segments, with many showing strong interest in learning more.

Negative reactions: A small amount have negative initial reactions.

- A few are skeptical about the fact that **they've never heard of it**.
- Some participants have had heat pumps in the past and had **bad experiences**.

Top concern is they could end up *more expensive,* with high costs to purchase, install, and maintain.

High upfront costs to purchase/install

Years to recoup investment

More expensive/ specialized maintenance

Little savings if electricity costs more than gas

Concerns about *how well the technology works* (especially in extreme weather) and how "clean" it is.

Hard to believe the technology works

Heat pump technology is new/

not yet proven

Doubt it works in extreme temperatures

Doubt environmental benefits

Homeowners would consider a heat pump if…

- ✓ They needed to **replace** their current system.
- ✓ Financial **savings** outweigh additional expenses.
- ✓ They could access **financing** options for upfront costs.
- ✓ They were sure the technology would **work as well** or better than a traditional system.
- ✓ They were sure the technology will work in their weather **climate**.
- ✓ They were sure the system would **last as long** or longer than a traditional system.

Role of incentives on energy-related purchases

Key Findings:

- Rebates and tax credits for large energy upgrades are not as powerful of a hook for LI consumers
- Barriers to rebates and tax credits are high and many don't have the money, time, or knowledge to take advantage so prefer instant savings
- Most view the new IRA incentives program positively, but question if and how they will benefit

Inflation Reduction Act Incentives

Key

Positive Reactions

Points of Confusion

Mixed Reactions

The Inflation Reduction Act will make it **more affordable** for families across the U.S. to purchase **energy efficient equipment** when they need to, make repairs to their homes, and **save money on their utility bills** each month.

Starting in 2023, new **rebates** should become available to **low-income** households for making improvements to your home (such as installing a heat pump) that save energy and support **a clean energy future.**

Affordable for who?: *Many question how much they would benefit.*

Nothing is free: *Skeptical of fine print*

Incentives would be much more appealing if they knew the rebates were instant

*"**A rebate is too much work**. Nowadays life is really stressful and I can't tell you how many receipts I've lost before I even reach my door. **It would have to be something like a voucher or a coupon**.*

Spanish-speaking participants feel left out and that there is a lack sufficient in-language resources

*"Most of the time the information you find is in English and you have to translate it. **So having flyers in your own language, which you can better understand, that would help immensely**." – Homeowner MW (SPA)*

Information Sources & Trusted Messengers

Key Findings:

- When looking for information on any topic discussed LI audiences turn to Google, friends and family, and contractors
- For information on Idea E and IRA, most would look to government sites, trusting local over federal
- ENERGY STAR is a trusted resource predominantly for heat pumps, but also for information on Idea E

LI Consumer process for learning more about home energy upgrades

Word-of-mouth recommendation

First hear about energy-efficient technologies by **word-of-mouth** and are heavily influenced by recommendations of **friends and family**.

Online Research

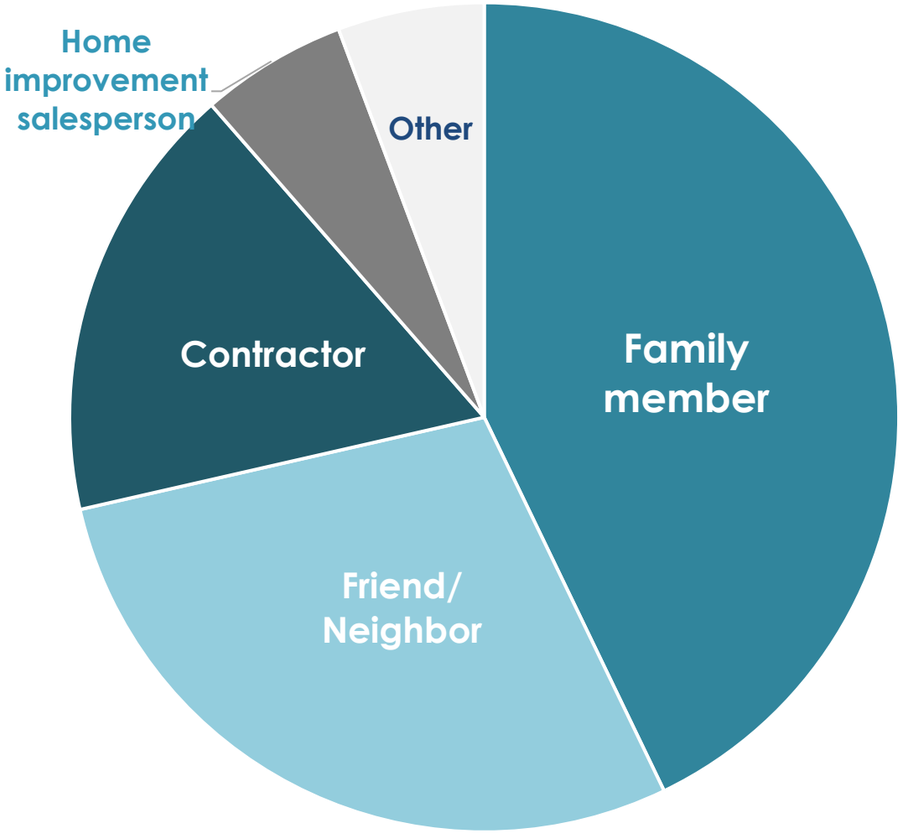
Next, turn to **Google** and spend a lot of time researching online - reading product **reviews**, watching **videos on YouTube**, and reading through relevant **forums** (e.g., on Reddit or Next Door.).

Consult a professional

Then seek out advice from a **professional** with technical expertise (contractor, plumber, etc.) or a **knowledgeable employee** at their local home improvement store.

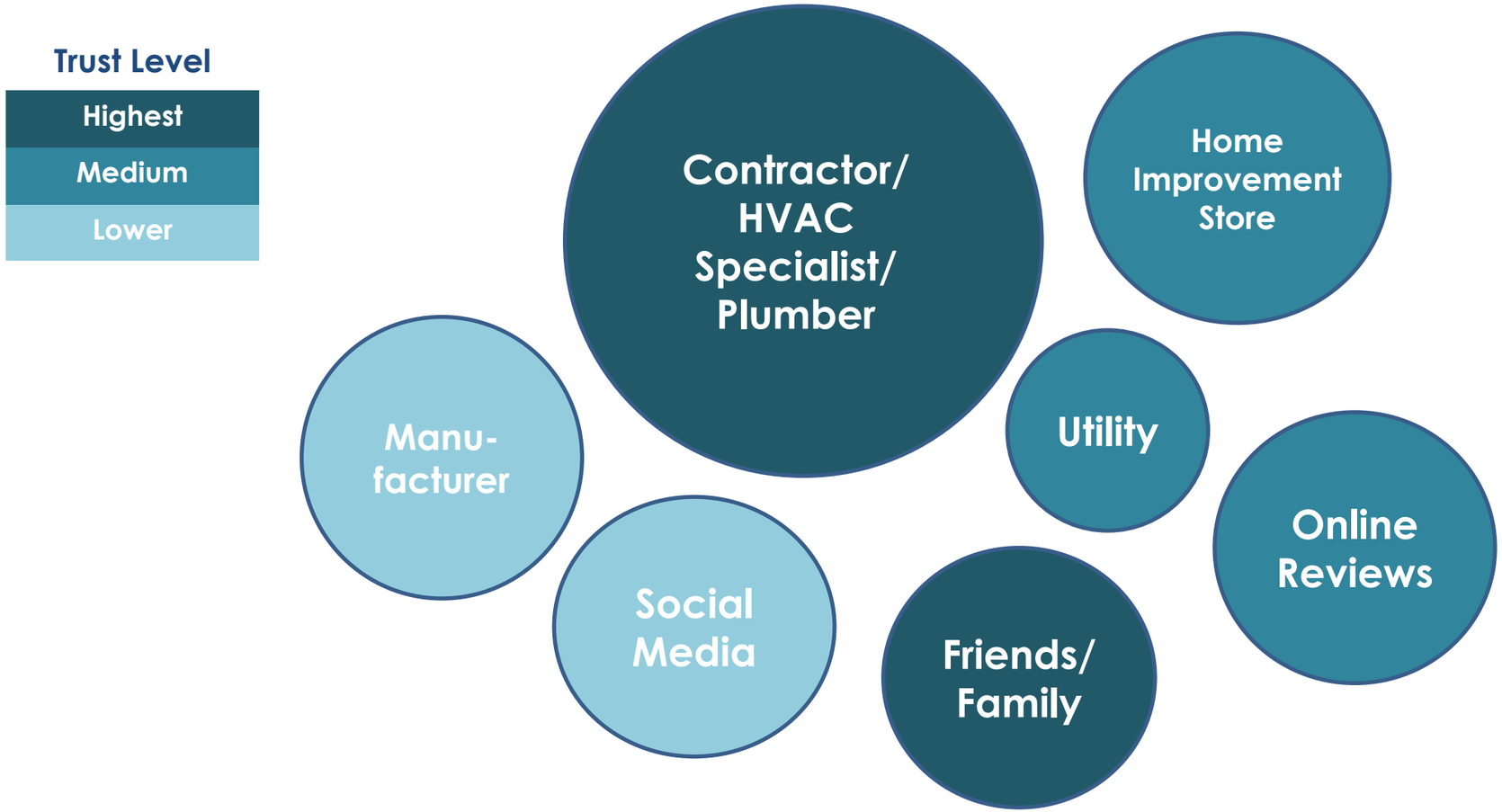
Most would talk to a family member or friend first, while others would go to a professional with technical expertise in heat pumps

*"So my conversation was with a **contractor**. I thought that that would make more sense because no matter who I go through, it's not an actual government agency or a store or anybody that's going to be doing the work. It's going to be a contractor." – Homeowner SW*



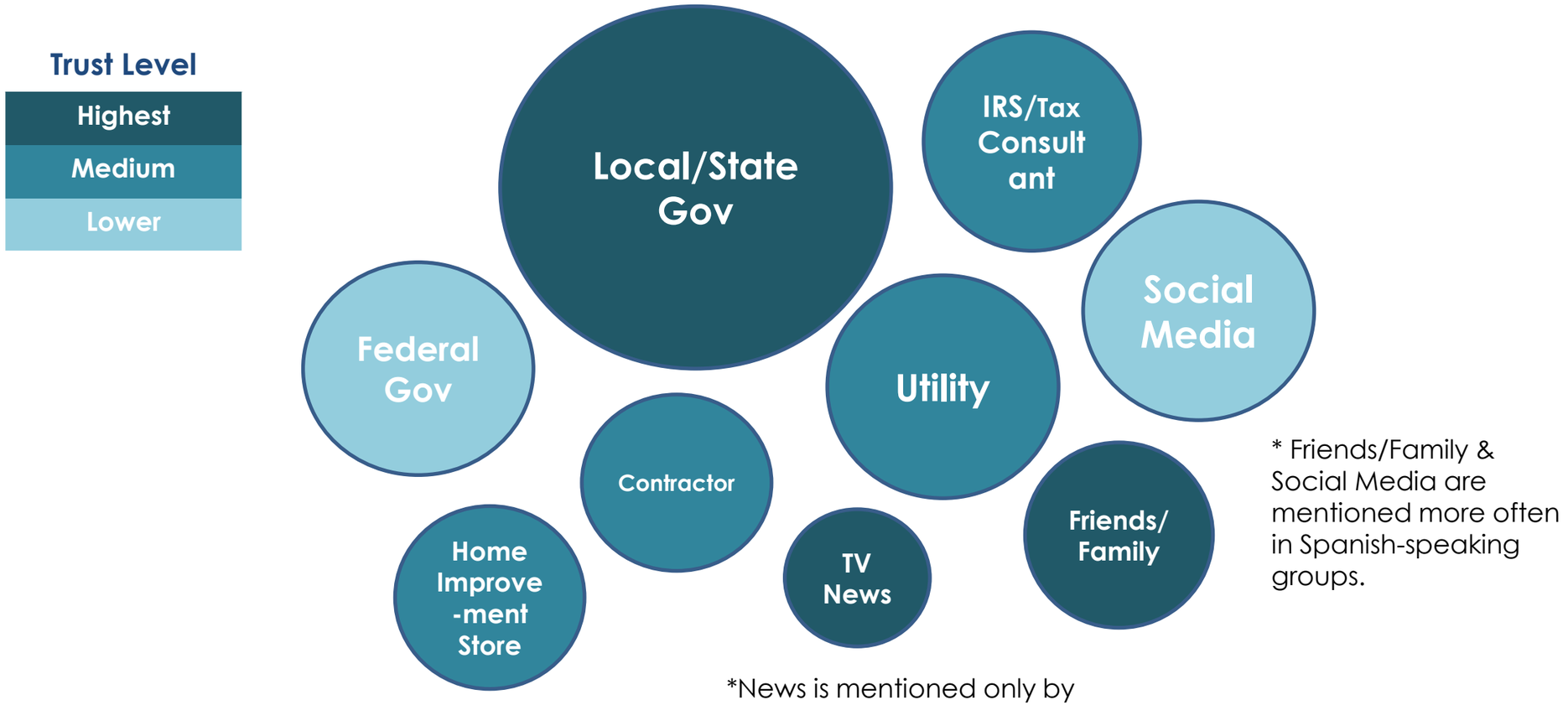
*"**I always go to my dad** for whatever issue I'm having. My dad is a jack of all trades… he would totally help me research what would be more efficient." – Homeowner S*

For heat pumps, most would talk to a contractor/technical expert for trusted information



Note: Size of bubble represents relative frequency of mentions; color represents trustworthiness. Question was asked unaided. Above results exclude Google, which was top response.

For information on IRA, many would look to government sites, trusting local over federal



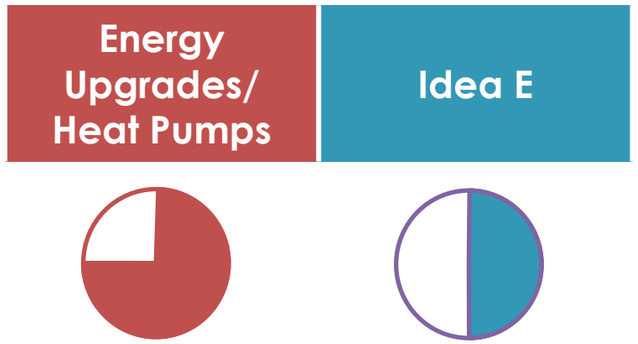
* Friends/Family & Social Media are mentioned more often in Spanish-speaking groups.

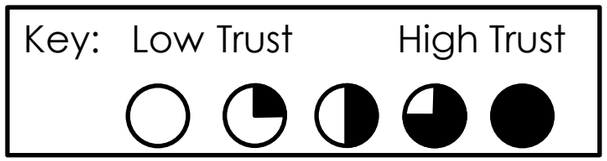
*News is mentioned only by Spanish-speakers (Univision, Telemundo, local news)

Note: Size of bubble represents relative frequency of mentions; color represents trustworthiness. Question was asked unaided. Above results exclude Google, which was top response.

LI consumers trust **ENERGY STAR**, particularly for energy upgrades/heat pumps.

Would you trust ENERGY STAR for information on….?





LI consumers understand that utilities provide rebates and that IRA incentives would be spearheaded by the government, therefore **many see utilities and the government as obvious sources for more information. However, trust in utilities and government are both split.**

Note: Results shown above are approximate and are derived from both aided and unaided responses.

Top Motivators for Heat Pump

Key Findings:

- Financial benefits of heat pumps are overall the most motivating, though health benefits are equally important for Spanish-speakers.

S: Heat pumps are much safer than traditional heating/cooling systems that run on fossil fuels

B: Heat pumps can lower my energy bills, saving me money.

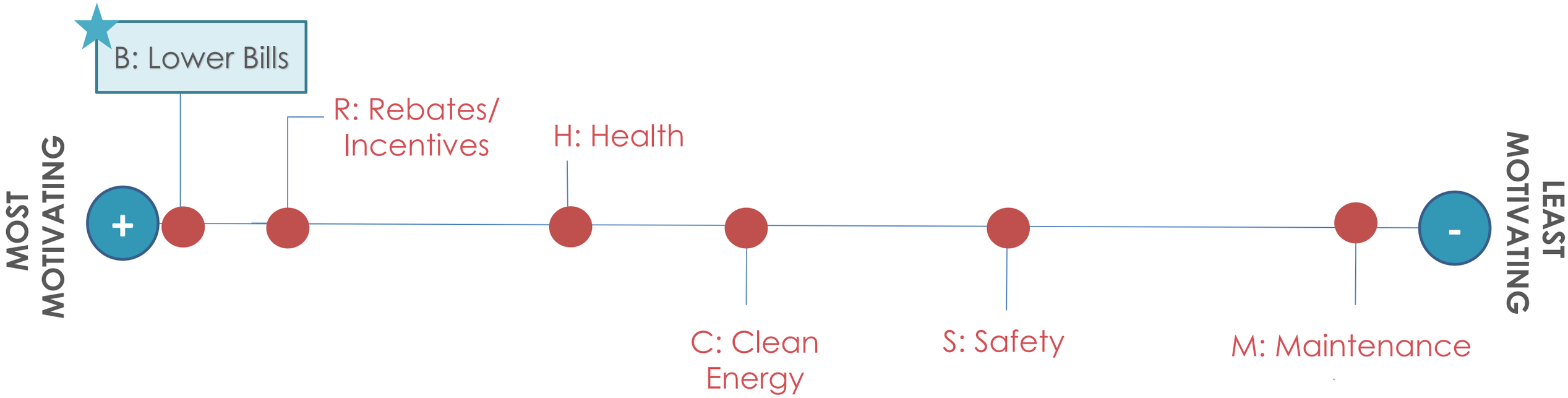
R: Existing incentives, such as utility rebates and tax credits, along with the upcoming rebate programs may help me save money on the upfront costs of purchasing and installing a heat pump.

C: Heat pumps reduce pollution from fossil fuels and help support a clean energy future.

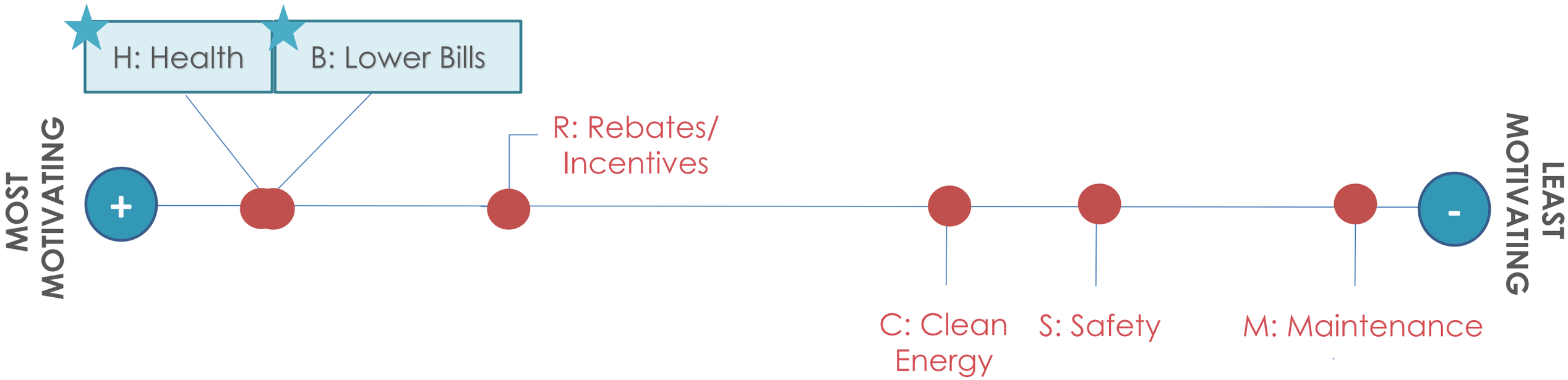
H: Heat pumps improve air quality compared to traditional heating/cooling systems, thereby improving my health and the health of my family.

M: Heat pumps require less maintenance than combustion heating systems.

English-speakers are motivated primarily by lower bills and financial incentives



For Spanish-speakers, health benefits are just as motivating as lower bills



Key Takeaways/Implications

Home Energy Upgrades and Idea E

Outreach Initiatives Should…

- Clearly address the key barrier for the LI audience - **cost**.
- Encourage **planning** for upgrades vs proactive replacement so households are prepared when equipment breaks.
- Address concerns around **quality** and **dependability** of clean electric technologies.
- Be communicated via **trusted sources**: utility providers for upgrades and local/state government agencies for Idea E

Heat Pump Technology

Outreach Initiatives Should…

- Promote and explain how heat pumps can provide **cost savings** and improved **air quality**.
  - Clearly explain **long-term** cost savings and efficiency benefits.

- Use **clear, concise**, and **consistent language.**

- Utilize **trusted messengers** (particularly contractors, HVAC specialists, plumbers, and home improvement stores) to **overcome doubt** and **validate technology** benefits.
  - **ENERGY STAR certification** plays a strong role in trust

Incentives

Outreach Initiatives Should…

- Identify and promote **instant rebate** opportunities.
- Tie **incentives** to specific products to increase interest and understanding.
- Clearly explain how the products will result in **ultimate cost savings** for their household.
- Provide links to **local/state government sources** for specific information on how incentives work where they live.

Information Sources and Trusted Messengers

Outreach Initiatives Should…

- Aim to **help LI consumers navigate** what is perceived as a complicated and overwhelming process.

- Invest in **SEO** to ensure a general search brings them up as a voice of authority.

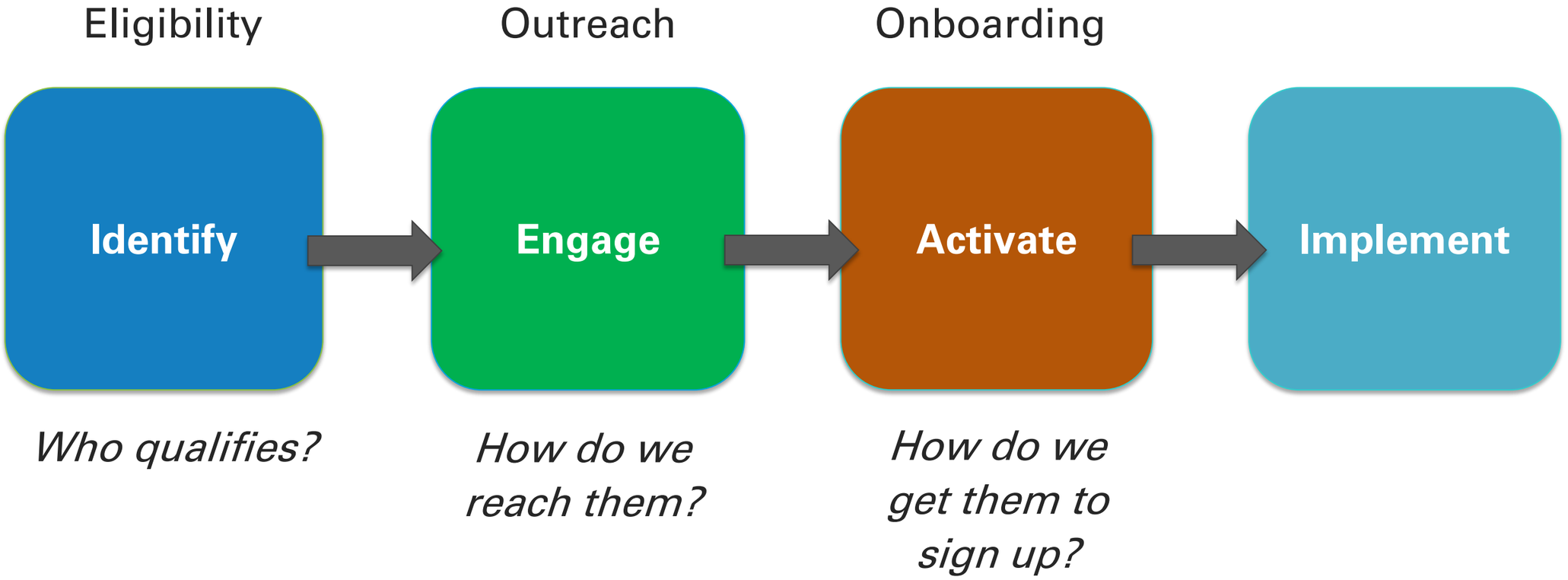
- Leverage **ENERGY STAR's trusted status** as a partner in reaching LI audiences.

Hispanic Audiences

Outreach Initiatives Should...

- Provide resources and outreach **in Spanish.**
- Emphasize both the **financial and health benefits** of clean energy.
- Utilize **trusted messengers** to promote instant rebates.

Georgia Power, Habitat for Humanity, Groundswell



Which organizational stakeholders do you work with for each step?

Making Energy Simple

Energy Assistance for Savings & Efficiency (EASE) Program

Georgia Power Residential customers can apply for free, energy-efficiency home improvements.

Household Size	1	2	3	4	5	6	7	8
Annual Income	$29,160	$39,440	$49,720	$60,000	$70,280	$80,560	$90840	$101,120
Monthly Income	$2,430	$3,287	$4,143	$5,000	$5,875	$6,713	$7,570	$8,427

Add $10,280 for each additional person per year to the annual income of $101,120 to calculate the annual income maximum for household sizes over 8

- Improved attic insulation
- Air sealing of gaps, cracks & leaks
- Sealing of heating & air conditioning delivery ducts
- LED light bulbs
- Smart, Wi-Fi thermostats
- Heating & air system service
- Installation of electric water heater blankets,

Up to $5,000 towards Energy Efficiency upgrades per home.

Making Energy Simple for Senior Citizens (60+)

HopeWorks

Georgia Power customers over 60 years old can apply for free, energy-efficient home improvements.

Household Size	1	2	3	4	5	6	7	8
Annual Income	$29,160	$39,440	$49,720	$60,000	$70,280	$80,560	$90840	$101,120
Monthly Income	$2,430	$3,287	$4,143	$5,000	$5,875	$6,713	$7,570	$8,427

Add $10,280 for each additional person per year to the annual income of $101,120 to calculate the annual income maximum for household sizes over 8.

"The AC did not come on as often this summer. Now that it is cold, I have set the thermostat lower and still feel comfortable in the house. I also do not feel those drafts we used to feel... the house feels more comfortable."

-Mr. Ficks from Rome, Georgia

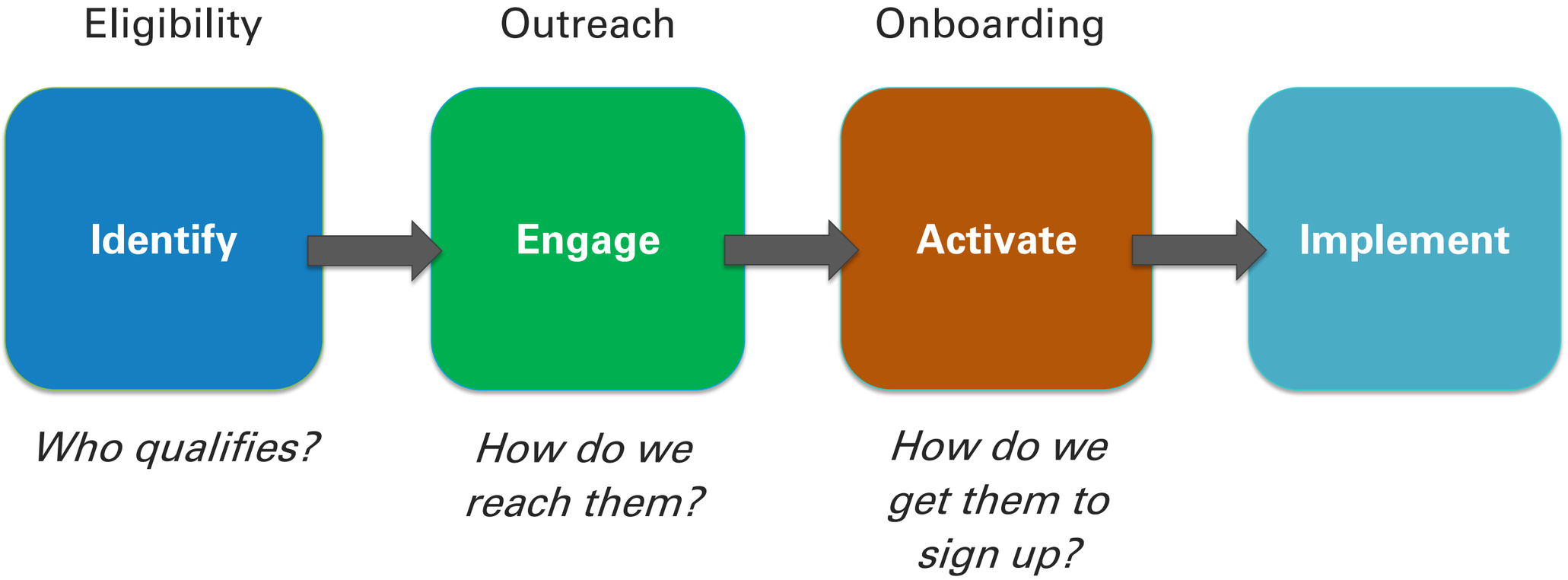
"I can definitely tell a difference in how comfortable my home is now that it has been weatherized. Thank you, Georgia Power and HopeWorks, for the Weatherization Program and for the Energy Kit."

-Mrs. Brown from Brunswick, Georgia

Recommended improvements may include:

- Air sealing
- Attic insulation
- Duct sealing
- LED light bulb upgrade
- HVAC Servicing

Up to $3,7500 towards Energy Efficiency upgrades per home.



Which organizational stakeholders do you work with for each step?

Gwinnett / Walton

Habitat for Humanity®

Seeking to put God's love into action...

...Habitat for Humanity brings people together...

...to build homes, communities and hope.

PROGRAMS

HOMEOWNERSHIP

Provides homeownership opportunity for low-moderate income households to purchase a no interest mortgage home through Habitat.

45-80% AMI

A BRUSH WITH KINDNESS (ABWK)

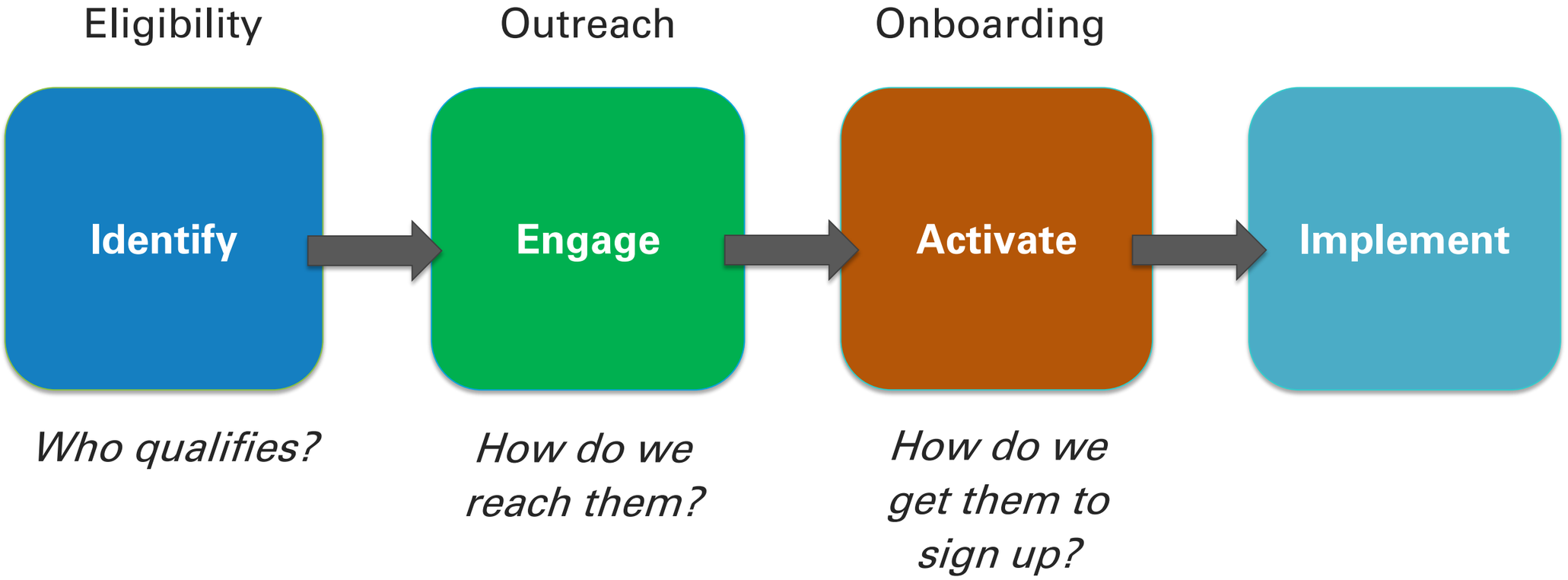
Provides basic interior and exterior home repair services for low to moderate-income homeowners. Home repair services offered include: Home Preservation, Aging in Place Modifications, and Critical Home Repair.

<60% AMI

WATER RESOURCES ASSISTANCE PROGRAM (WRAP)

Provides plumbing services for low to moderate-income homeowners. Plumbing services offered include Plumbing Repairs, Retrofitting Homes, and Septic Systems.

<60% AMI



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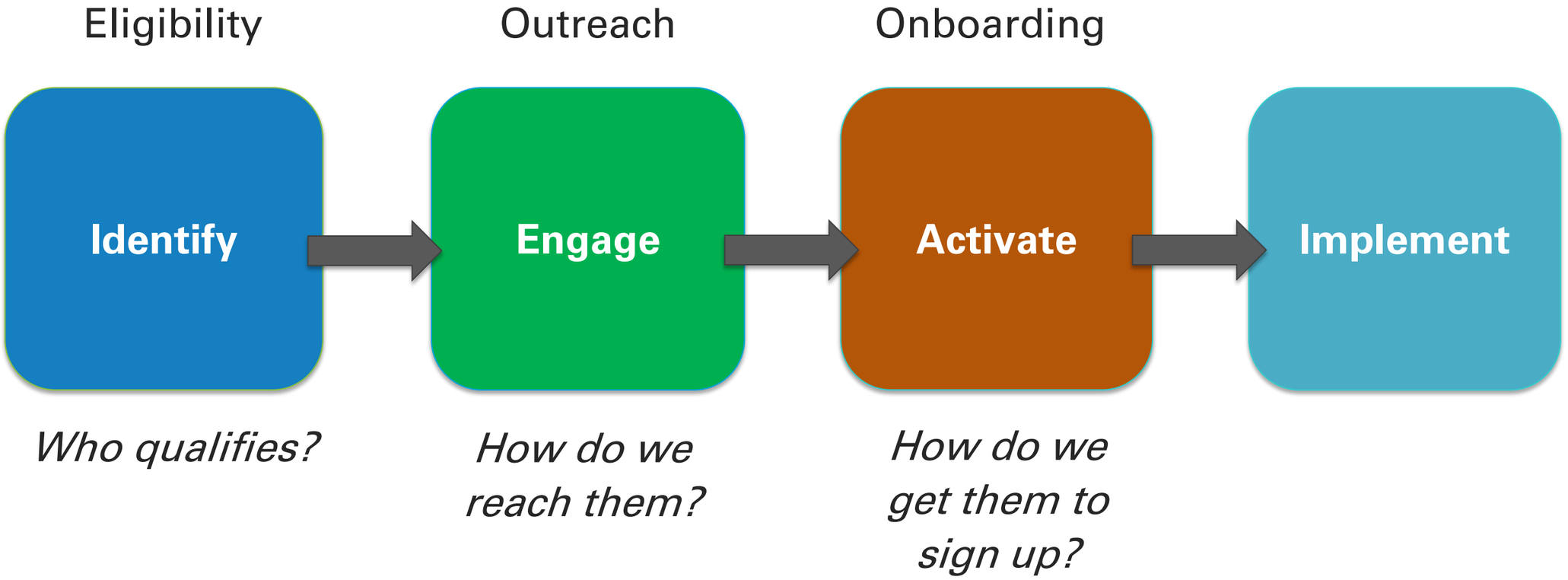
Groundswell

- Groundswell is a 501c3 nonprofit that builds community power through equitable community solar projects and resilience centers, clean energy programs that reduce energy burdens, and pioneering research initiatives that help light the way to clean energy futures for all.
- Groundswell brings expertise serving low-income households with clean energy projects and programs, serving LMI households in 5 states and delivering more than $5.5M in clean energy savings to date
- In GA, Groundswell runs a residential energy efficiency program called SOUL. Groundswell conducts program outreach, enrollment, and customer support.



Which organizational stakeholders do you work with for each step?

THANK YOU!

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Q&A and Feedback