

## DOCKETED

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*Comment Received From: David Sosna*

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## **Marketing Energy Upgrade California to Homeowners**

*Additional submitted attachment is included below.*

**David Sosna**

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Re: Docket # 15-IEPR-05 Existing Buildings Energy Efficiency Action Plan:

7-4-16

David Ismailyan:

Thank you for your time on June 27!

Just as a recap, I was reading the 2015 Existing Building Energy Efficiency Action Plan and I was unable to get a clear picture of how it was to be marketed to homeowners (by this I mean owner-occupiers of single-family residences). Thank you for referring me to Goal 4, but I'm uncertain exactly how the state plans to "leverage Energy Upgrade California" to connect directly to homeowners.

I can see why, when dealing with homeowners, you might want, if at all possible, to stay away from mandatory upgrade requirements. You don't want to be on the receiving end of another Prop. 13, with emotional newscasts about elderly homeowners forced out into the streets by an overweening state requiring tens of thousands of dollars in energy efficiency upgrades.

Your plan to incentivize a homeowner into voluntary adoption of the deep-energy retrofits that you desire is far better. But as you know, an incentive is just that—a way to tip someone who is on the fence about something into going forward with what you want them to do. An incentive isn't intended to cover the cost of the deep energy upgrades—just a little bit of the cost. Since the maximum incentive of \$4500.00 is paid after verification that a 45% reduction in energy consumption has been achieved and it might take \$20,000 to \$30,000 to effect that 45% upgrade, it might be best to inform people of this in advance, via your website, rather than letting an innocent utility company employee or private contractor bear the wrath of a disillusioned homeowner.

I did a quick survey of just a few homeowners of my acquaintance with regards to the Energy Upgrade California Program, all of whom are older than 50. All use the internet, but almost all are not on Twitter or Facebook:

Q: Have you ever seen the words Energy Upgrade California on a billboard?

A: No.

Q: Have you ever heard the words Energy Upgrade California on a radio commercial?

A: No.

Q: Have you ever seen or heard the words Energy Upgrade California on a TV commercial?

A: No.

Q: Before having this conversation, had you ever seen or heard the words Energy Upgrade California?

A: No.

I didn't buy a home until I was 32. Most Great Recession-era first-time buyers are likely going to be older than that. Facebook and Twitter might be over-rated as a way to connect with the demographic you want to capture, and somebody scrambling to make a first-time mortgage is unlikely to want to acquire additional debt on a deep-energy retrofit for at least a decade or so.

Can I offer some thoughts about websites? Websites are a catch-22: Most businesses with websites advertise their websites existence somewhere else. You can't get someone to your website if they don't know about it in the first place and the people I surveyed don't know about your website. Additionally, your website covers a LOT of areas besides deep-energy retrofits. As noted in illustration 3.6 on page 85 of the Action Plan, the deep-energy retrofits get lost in a host of other messages. The other thing is, people need to have a reason to go to your website. The words Energy Upgrade California don't convey a meaning that makes me want to know more—what I need is a message *connected with* Energy Upgrade California that makes me say “Oh, maybe I could benefit (save money, make my house more salable, be a part of something bigger than myself) from a deep-energy retrofit—I'll go to the website.” I didn't get that connection from the graphics on the Mobile Outreach trailer on page 94.

You could ask the utility companies to send out notices regarding deep-energy retrofits in the monthly bills, but I ignore anything that's not the bill itself, dumping it into the wastebasket. I also get annoyed at all the 'stuff' in the envelope that I have to discard just to find my bill. I'm probably not that unusual, so asking the utility companies to include information about Energy Upgrade California, the 45% deep-energy retrofits and the \$4500 rebate could be a waste of time and not accomplish much.

The Action Plans' Strategy, on page 78 (3.3.4), mentions having contractors sell the idea of energy efficiency (upgrades?), presumably to homeowners, among others. Given the trust issues that exist between homeowners and contractors, that might not be the best idea. Rather, the contractors could be an adjunct—a source for additional information—after the states' media blitz has gotten a homeowner interested in a deep-energy retrofit in the first place.

Buying new appliances, changing light bulbs—those are fine incremental changes, but what I gather you're really wanting after 2020 is *major* deep-energy retrofits to existing building stock—really, anything previous to 1985—because deep-energy retrofits are where you'll see the biggest energy savings.

I viewed your implementation schedule (Fig. 4.1) on page 96 of the Action Plan and there's something that I don't see—something that you might want to consider as your core approach to the deep-energy retrofits—perhaps to the whole Energy Upgrade California idea. Something that can get homeowners on the deep energy retrofit fence in the first place so that the incentives tip them the rest of the way. Madison-Avenue style mass marketing.

Madison-Avenue makes people aware that they want something that they didn't know they wanted—until they were told that they wanted it.

Madison Avenue sells sports cars to people who commute via traffic jams by showing them pictures of empty country roads.

Madison Avenue sells SUVs to people who will never take those SUVs off-road by showing them pictures of happy off-roaders in those same SUVs.

Madison Avenue sells dreams to people who didn't know they wanted them until they were told that they wanted them because Madison Avenue has a keen understanding of the psychological pressure points of human beings.

I don't know if you've been using in-house marketing, but an outside marketing firm, while it would cost significantly more, would be more....incentive motivated. They wouldn't want to lose a big client like the State of California. Here's a thought to pass on to whoever you decide you want to do your marketing. Common Cause. Make Deep Energy Retrofits a cause uniting the entire state—otherwise

people will just see it as another case of over-regulation in a state that's already perceived as over-regulating everything.

I'll use WWII as an analogy, but PLEASE don't consider calling it a war. With wars on drugs, crime and terrorism, we have enough wars.

The marketing of WWII had a primary message. Defeat the Axis.

Energy Upgrade California's primary media message might be Deep Energy Retrofits. The “why” we need to band together to do this is why you're paying your marketing company in the first place.

As smaller subsets of that primary WWII focus, people were urged, via newsreels, radio and billboards (TV wasn't as widespread then) that explained why it was important for them to collect metals, paper; to use less of everything including gasoline and butter in order to accomplish the primary message of defeating the Axis.

Energy Upgrade California's smaller subset might be to make incremental changes—light bulbs, new appliances, using less water—as well as deep energy retrofits. You might consider getting that message out using TV, Billboards, etc.--you could even have some newsreel type 'shorts' made and show them in movie theaters before the movie—the happy Jones family in their retrofitted house which not only saves them money each month but also has a higher energy score that helps when they want to sell and move to a smaller, even more energy-efficient house.

We like to brag that California is the 6<sup>th</sup> largest economy in the world. Maybe it's worthwhile to consider diverting a large proportion of the Energy Upgrade California money to pay for a Madison-Avenue style media blitz on TV, Radio, Newspapers, magazines, Billboards and Blimps. If you can't afford to prime the pump by letting people know that they didn't know that they want to upgrade the energy efficiency of their homes, you might have to go to mandatory upgrade requirements with all the political fallout that entails.

And if you decide to look for a marketing company, may I suggest you follow recommended construction practice; get three bids and take the one in the middle.

Sincerely,

David Sosna  
Sosna Energy Consulting  
CC: Docket # 15-IEPR-05,