

**DOCKETED**

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**RFI Opower Comments Jan 2024**

*Additional submitted attachment is included below.*

January 26, 2024

*Submitted electronically*

David Hochschild  
Chair  
California Energy Commission  
715 P Street  
Sacramento, CA 95814

**RE: RFI Inflation Reduction Act: Home Efficiency Rebate Program (HOMES) Docket No. 23-DECARB-01**

Dear Commissioners,

On behalf of Opower, I am pleased to submit comments to the California Energy Commission (CEC) relative to the HOMES RFI under Docket 23-DECARB-01. Opower is part of the Oracle Energy & Water's business, the largest software company dedicated to utility customer engagement. Opower's platform supports utility decarbonization, affordability, and energy management efforts. We implement behavioral energy efficiency, demand response, and customer engagement programs for 174 utilities across the US and around the world, including programs delivering a large proportion of the energy efficiency savings in California.

The following includes our response to a subset of questions. Thank you for your consideration of these comments. Please reach out with any questions.

Sincerely,



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**Customer Engagement is Key to HOMES**

CEC is considering two pathways for HOMES, either braiding California's allocation of HOMES funding into the EBD Direct Install Program or designing a program separate from EBD. Either way the funding will support whole home energy retrofits and CEC should incorporate robust customer identification and engagement methodologies. Whole home retrofits are major projects, so it is important to identify the customers who can benefit most from the upgrades and support them throughout the retrofit journey from education to installation. This will be most efficiently achieved by leveraging utility customer data and proactively engaging with customers to drive participation.

Opower's expertise is in the customer engagement and utility data access aspects of the HOMES program. We know, from over 15 years of experience supporting utility energy efficiency and decarbonization programs, that successful customer engagement depends on targeting the right customers at the right time with the right message. We do this by leveraging data science, behavioral science, and thoughtful user design to personalize proactive customer communications. Partnership with utilities puts the CEC in the best position to leverage utility customer data and ensure personalized engagement. We hope that the CEC will incorporate these kinds of methodologies into its program design and implementation of the HOMES program.

**How should the program be structured to support widespread access and uptake in households located in disadvantaged communities or with a low income?***Step 1: Identifying Customers and their Needs.*

The first step towards greater awareness and engagement with programs by low-income households and disadvantaged communities is identifying who those households are within the state. Applying predictive analytics to utility data and layering additional datasets, CEC can better understand every household in the state of California according to a suite of energy affordability metrics, including California-specific metrics like Hard-to-Reach customers and customers in Disadvantaged Communities as well as more broadly defined metrics such as household-level energy burden and Ability to Pay Index. We will never know every customer's income level, but we can use data science and analytics to gain insight into every customer. The program should incorporate a household-level energy burden analysis to identify customers who would likely qualify for income-eligible programs with a higher degree of accuracy than using an approach based on census tract averages.

Our approach layers publicly available datasets on top of purchased proprietary datasets, utility data, and data collected directly from customers to generate a suite of affordability metrics. Understanding the energy burden at a household level, rather than at a census tract-level, is important to ensure that no households are left out. Time and again, we identified tens of thousands of energy burdened customers, if not more in larger utility territories, that would otherwise have been unseen using a census tract-only approach to identifying customers in need. Once these customers are identified, CEC can proactively engage customers in a personalized manner to support widespread access and program participation.

### *Step 2: Proactive Customer Engagement*

The customer experience should be at the forefront of HOMES program design and implementation. Utility rebate program experience demonstrates that, oftentimes, financial incentives are not enough to make customers act. Barriers include low awareness of available rebates, upfront project costs, difficulty in finding a suitable participating contractor, complex and time-consuming processes for applying for the rebates and completing the energy upgrade, and skepticism of promised savings for new technologies like air source heat pumps. The relatively low conversion rate of customers who complete a home energy audit and those who take the next step in retrofitting their homes is evidence that it takes more than rebate money for energy efficiency programs to succeed.

To increase awareness and participation in HOMES, CEC should leverage outbound communication strategies that incorporate personalized information and behavior science techniques. Utility customer data can be used to inform the product offerings that would be most beneficial to the customer and provide the context as to why that/those programs are being surfaced. Concepts like social proof, showing customers how many residents like them have already participated in the program, or appliance-level disaggregation, that helps customers understand how usage in their home makes them a good fit for home upgrades, are proven ways to pique customer interest.

Recently, Opower leveraged its affordability analytics and disaggregated energy usage insights to drive a nearly 3X rate of completion of home weatherization at a Northeast utility client. This pilot also found that customers who clicked on the personalized Opower-generated digital communications were 10X more likely to complete a weatherization project than those who received the mass marketing program promotion. Using disaggregated energy insights for customer segmentation and targeting, we were also able to drive a 5X increase in the participation in a home energy assessment program at a utility in the Mid-Atlantic region.

CEC should use a multi-channel approach including email, web, text, and video to proactively engage customers and complement in-person events and outreach. Proactive alerts can be sent to a customer's preferred method of communication, timed for maximum impact. This can happen during moments that matter – when program application periods open, during seasonal transition, if they are headed towards a high bill, etc.

### *Step 3: Delivering a Positive and Impactful Customer Experience by Integrating HOMES with Existing Energy Efficiency Programs*

Consumers in California will face the challenge of navigating myriad programs to improve the energy efficiency of their homes and pursue home electrification. The incentives, eligibility requirements, application requirements, and other aspects of the various programs will likely differ. For the average consumer, it'll take a lot of effort to take advantage of every offer available to them. For digitally engaged customers, or those helping non-digitally engaged customers access federal rebates, outreach should drive customers to an online, user-friendly one stop shop (OSS) that leads customers through a survey that will gauge eligibility and populate the OSS with personalized recommendations.

CEC should use a portion of its administrative funds to stand up an online, consumer-facing OSS for all energy efficiency and electrification programs. The OSS should be inclusive of federal-, state-, local-, and ratepayer-funded programs. It should provide consumers with personalized recommendations – based on known consumer and household attributes, household energy profiles, and information collected directly from the customer through the OSS site. There is likely opportunity to coordinate with the California Public Utilities Commission’s efforts to develop the Concurrent Application System per SB 1208.

**Are there additional considerations for best leveraging and stacking residential whole house efficiency rebates, like HOMES with existing programs?**

CEC should attempt to use technology to help facilitate program braiding. For example, technology could be used to determine which programs a customer is likely eligible for based on their utility data and which programs cannot be braided based on certain conditions and rules. Providing a one stop shop (OSS) showing the various programs in one place is a way to introduce customers to programs that may be braided together. Furthermore, CEC should carefully consider the actual enrollment process customers need to go through to participate in braided programs and provide a seamless customer experience.

**Which existing program quality assurance, quality control, workforce, or other implementation standards or best practices should be taken into consideration or used as a model?**

The programs call for a wide range of program administration capabilities. The CEC should recognize that best-in-class solutions may need to be procured in a piecemeal manner rather than through a single implementer. Any requests for proposals should be structured to encourage solution-specific responses.

**What approaches should CEC consider to verify individual household income that are efficient and accurate, safeguard information, and create a minimal burden for residents?**

The CEC can use a combination of data analytics, self-attestation, and categorical eligibility to verify household income. This can include 1) using data to assign an energy burden score to every household and 2) use the survey prompts in the OSS to capture things like self-reported income and other assistance program participation. The survey asks questions designed to help determine eligibility for programs recommended in the OSS such as income, number of customers in a household, and participation in other assistance programs.

Should the CEC decide to require income or other documentation, Opower’s user research has found that it is important to explain what documents are needed early in the application process. This is likely another area where the CEC can coordinate with the CPUC’s Concurrent Application System efforts.