



PROCESS EVALUATION OF THE PALM DESERT PARTNERSHIP DEMONSTRATION PROJECT 2007-2008

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1. EXECUTIVE SUMMARY

The Palm Desert Partnership Demonstration Project (the “Project”) brings the City of Palm Desert (the “City”) and its energy Utilities, Southern California Gas Company (SoCalGas) and Southern California Edison Company (SCE), together in a Partnership in which each of the Partners brings its experience, expertise and resources to bear on the task of saving energy. The facilitating Partner for this demonstration project is The Energy Coalition, which also advises the Partners on Partnership principles. This Project is envisioned as a five-year, sustained campaign. Over the course of those five years, the Project Partners have set an objective to reduce overall energy usage and peak load in the City by thirty percent (30%)¹. The Project’s efforts are marketed externally to the City under the brand name: “Set To Save.”

Opinion Dynamics conducted a process evaluation that encompassed a series of data collection tasks² designed to address several researchable issues. The researchable issues are categorized into four overarching research areas below.

1. Documentation of Project Design and Implementation

- a. What are the primary activities aimed at reaching the objective to reduce overall energy usage and peak load in the City by thirty percent (30%)?
- b. What is the underlying program theory behind the Project?
- c. How does the Project compare to other CA Local Government Partnerships?

2. Internal Processes and Management

- a. What are the roles and responsibilities given to each of the Partners?
- b. How effective is the communication and coordination between Partners?

3. Market Participation

- a. What are the energy-related characteristics of the residential and commercial markets that the Project seeks to serve?
- b. How can the Project increase program participation from residential and commercial markets?

4. Project Component Replication

- a. What are the Project components with the most potential for replicability and success in other service territories?
- b. How can the Project facilitate other entities to replicate, or otherwise leverage, success components?

¹ From the 2006-2008 Palm Desert Partnership Demonstration Project Program Implementation Plan.

² Data collection tasks included: a residential telephone baseline survey, depth interviews with key Partnership staff, a program theory and logic model workshop, a review of program documents, and comparative analysis of other CA local government Partnerships, depth interviews with commercial customers and focus groups with residential customers.

The findings from this process evaluation are intended to be forward-looking to help guide future program efforts. Below, we provide an executive overview of the findings and recommendations produced by this process evaluation that specifically speak to two areas: (1) key recommendations for how the Project might streamline internal processes and increase participation moving forward and (2) the areas of success that might be replicable for other cities.

Overview of Palm Desert

Based on baseline research of residential customers, we found that this community is highly motivated to reduce their energy consumption due to the hot climate that drives up energy costs and the fact that Palm Desert borders a neighboring community served by another utility that pays lower energy prices. Many residents monitor their energy bills closely and are highly cognizant of the higher price they pay for energy. The resident survey fielded for this evaluation revealed that 70% of residents are strongly motivated to save energy; cost savings was the largest driving force to save energy. The hot climate leads many residents and businesses to frequently run and maintain high-cost measures such as air conditioning systems and swimming pools. Based on our initial survey of Palm Desert residents, 84% of respondents use a central air conditioning system to cool their homes, and 27% of respondents directly pay a utility bill for a pool or spa. The community's strong motivation for saving energy, coupled with its large demand for energy resources, makes it a good candidate for a local government partnership that pilots new program concepts and marketing strategies.

Overview of Project Strengths

For the Project to accomplish its aggressive savings goal by 2011, it is implementing many targeted and unique efforts that can be classified into four types of activities: (1) Improved channeling into programs; (2) Enhanced delivery of programs; (3) New and increased incentives; and (4) Pilot program creation, testing and implementation³. All of these activities complement one another to offer a cohesive suite of incentives, information and education aimed to encourage energy efficient measure adoption and behavior change in the City of Palm Desert.

Specifically, based on our detailed interviews with program staff and our review of program materials, there are four key program components offered by the Project that are unique and have significant potential for benefiting other jurisdictions. These include:

- One Stop Shop program concept: The Project created the concept for a new pool pump program, named "Go with the Flow" Program. This program concept allows for a customer to call just one 800 number and the steps to upgrading are set in motion: A contractor is identified, the customer receives a quote, the equipment is installed, and an incentive is processed. This concept is seen as meeting the needs of many citizens, including retirees, who are less able to purchase and/or install the equipment themselves.

³ Please refer to the Project Theory and Logic Model section for details on each of these activities.

- Financing component⁴: The City played a key role, with assistance from SCE, to create a financing option for its residential and commercial constituents. The City and Utilities were motivated to establish a financing option for customers because of the Project's aggressive 30% energy savings goal. The Project wanted to make loans available to customers so they could make large investments in new energy efficient equipment. This desire for a loan option eventually turned into what is now known as Assembly Bill 811 or AB-811. It allows customers to take a loan out for large energy efficiency measures and tacks the loan re-payment onto property taxes. The Partners feel that having a financing component available to program participants is just as important as incentives in motivating customers to make the large investments needed to reach the goal.
- Coordination and communication between Partners: The Project has established roles and responsibility guidelines, working groups and frequent meeting schedules (weekly and bi-weekly) and these elements are contributing to the success of this Project.
- A marketing strategy that takes advantage of local government resources: Our evaluation showed that one of the greatest strengths of the Project is its ability to leverage the City of Palm Desert for marketing strategy and implementation. The City knows how to cater messages to this community. The City is experienced with all of the existing communication channels and is able to build upon its own communication infrastructure to effectively promote energy saving messages. In addition, the City is a willing and motivated Partner, strongly committed to achieving program goals. In fact, the City has committed its own resources to the Project to spearhead certain initiatives. Some of these initiatives include passing city ordinances, helping to craft and lobby for AB-811, changing new construction codes, and staffing an Office of Energy Management with staff committed to channeling customers into the Utilities' programs.

Key Findings and Recommendations

Based on our research we have summarized the key findings and recommendations into the following overarching areas: Project Internal Processes and Management, Residential and Commercial Market Participation and Project Component Replication. Notably, the Project has already incorporated some of these suggestions into its 2009 strategy.

Project Internal Processes and Management

This evaluation showed that while the initial coordination and communication between Partners was lacking structure and efficiency, this area improved greatly in 2008. The Project began without a clearly defined Partnership agreement or defined protocols. The lack of one created some delay and struggle while the Partners were forming the Project strategy. The Partners agree that initially it took time to understand each Partner's roles and responsibilities. Specifically, the marketing team experienced growing pains to determine the level of involvement and communication that was appropriate for each Partner. There was also some frustration by the City during the early months of the program launch before they understood the approval process and timelines associated with each of the other Partners. However, most of the Partners now feel that these initial obstacles have been

⁴ Note that the success of this component was not a researchable issue due to the timing of our efforts, but the success of the financing efforts should be considered in future evaluation efforts.

overcome and that they all work well together once they established Partnership roles and responsibility guidelines, working groups and frequent meeting schedules (weekly and bi-weekly).

Key findings and recommendations to improve internal processes and management are listed below.

- **Continue effective communication and coordination through frequent meetings and information sharing between all four Partners.**
- **Take full advantage of the City of Palm Desert for marketing and resources.**
- **Collaborate with the City of Palm Desert on new programs.**
- **Enhance coordination and communication with other Partner resources.**
- **Improve marketing data tracking systems.**
- **Explore improvements to Project tracking & reporting.**

These recommendations are described in Section 4.1.

Residential and Commercial Market Participation

The Project has implemented a large marketing effort that encompasses collateral, advertising and outreach under the Set To Save brand name. However, despite the vast marketing efforts, we found that awareness of the Project's goal and offerings is still somewhat low. Palm Desert residents seem to know that the City is promoting energy efficiency, but they do not necessarily have a good understanding of how or why the City is doing it. In addition, few non-participants from the commercial leased property management, restaurant and hotel sectors are aware of the Project. More importantly, commercial customers are under the impressions that the Project's efforts were solely for residential customers and did not apply to business customers.

On the positive side, our qualitative and quantitative research both showed that energy efficiency and conservation interest in the City of Palm Desert is high. Residents seem eager to reduce their electric bill in any way possible; residents have energy costs on their minds as they often have high energy bills due to the hot climate and higher Utility rates than neighboring communities. The commercial sectors also seemed eager to reduce their energy consumption at the properties they manage but were reluctant to take action because of the potential time involved.

Our evaluation also revealed that the application process for the programs can be confusing and even overwhelming for customers as they are required to complete separate applications for gas programs and electric programs. The City feels that the main reason some purchasers may not be applying for the incentives is that the application process is cumbersome, duplicative and time consuming. Based on our focus groups with residential customers, we found that the perception of rebates programs is that they are time-consuming and offer too little incentive to participate. The time spent applying and waiting for a rebate check was perceived as too onerous to justify the payback (we note that this was a general reaction to rebate programs and not to the specific programs offered by the Project).

Thus, our evaluation showed that although the Partnership has put forth a far-reaching and well-thought out effort to create and market a large portfolio of energy efficiency and financing options to the Palm Desert community, a more targeted, strategized and expanded effort is needed to increase awareness and boost program participation. Recommendations for how the PDP can expand their marketing strategy to increase awareness and inspire action include:

- **Alter promotional messaging by using the City's 30% goal as a motivator for program participation.**
- **Create marketing collateral and incentives that generate "buzz."**
- **Add marketing channels to extend the reach of the Project's messaging.**
- **Target additional market segments.**
- **Resolve conflicts in marketing between SCE's programs and the Set To Save programs.**
- **Streamline disclosure requirements to include only what is truly necessary.**
- **Improve timeliness of advertising.**
- **Streamline the application process.**

These recommendations are described in Section 4.2.

Program Component Replication

Finally, our evaluation uncovered that there are many PY2007-2008 Project components showing early signs of success. Several components are also planned for the PY2009-2011, such as a behavioral component headed by Positive Energy that will likely be of interest to external parties. We provide a few suggestions below to help the Project highlight its successes and keep track of external interest.

- **Formalize and document the pilot component development process from conception to implementation.**
- **Track Project interest from external parties and seek opportunities to showcase successes.**

These recommendations are described in Section 4.3.

Based on our review of the Palm Desert Pilot Project, the specific components suitable for replication in other Partnerships include One Stop Shop, promotion of financing through AB-811, strong coordination and communication, and the use of local government resources for marketing, as described above.

2. INTRODUCTION AND EVALUATION METHODOLOGY

2.1 Project Introduction

The Palm Desert Partnership Demonstration Project (the “Project”) brings the City of Palm Desert (the “City”) and its energy Utilities, Southern California Gas Company (SoCalGas) and Southern California Edison Company (SCE), together in a Partnership in which each of the Partners brings its experience, expertise and resources to bear on the task of saving energy. The facilitating Partner for this demonstration project is The Energy Coalition, which also advises the Partners on Partnership principles. This Project is envisioned as a five-year, sustained campaign. Over the course of those five years, the Project Partners have set an objective to reduce overall energy usage and peak load in the City by thirty percent (30%)⁵. The Project’s efforts are marketed externally to the City under the brand name: “Set To Save.”

2.2 Process Evaluation Objectives

Opinion Dynamics conducted a process evaluation of the PY2007-2008 Palm Desert Partnership Demonstration Project from September 2007 through May 2009. The larger purpose of the process evaluation is to provide the Project’s stakeholders with a greater understanding of the Project overall as well as identify areas of improvement to streamline internal processes and increase participation in the Project’s program offerings. The findings from this process evaluation are intended to be forward-looking to help guide future program efforts.

To achieve the larger purpose of this evaluation, Opinion Dynamics conducted series of data collection tasks targeted to address several researchable issues. The researchable issues are categorized into four overarching research areas below.

1. Documentation of Project Design and Implementation

- a. What are the primary activities aimed at reaching the objective to reduce overall energy usage and peak load in the City by thirty percent (30%)?
- b. What is the underlying program theory behind the Project?
- c. How does the Project compare to other CA local government Partnerships?

2. Internal Processes and Management

- a. What are the roles and responsibilities given to each of the Partners?
- b. How effective is the communication and coordination between Partners?

⁵ From the 2006-2008 Palm Desert Partnership Demonstration Project Program Implementation Plan.

3. Market Participation

- a. What are the energy-related characteristics of the residential market that the Project seeks to serve?
- b. How can the Project increase program participation from residential and commercial markets respectively?

4. Project Component Replication

- a. What are the Project components with the most potential for replicability and success in other service territories?
- b. How can the Project facilitate other entities to replicate, or otherwise leverage, success components?

2.3 Methodology

This section provides an overview of the data collection tasks undertaken for this evaluation and the purpose of each task.

Survey of Palm Desert Residential Customers

Opinion Dynamics conducted a baseline survey of the customers targeted by this Project. This was a telephone-administered survey of 200 total customers. The overall goal of the baseline survey was to better understand the customers that the Project seeks to serve. This survey effort focused on collecting the following types of information:

- Determination of the effectiveness of the marketing efforts, including awareness of energy efficiency, awareness of SCE/SCG program offerings and awareness of the Project's efforts to reduce energy use.
- Energy saving actions taken to date (including questions on each of the key measures such as Air Conditioning, Insulation, Weatherizing, Lighting, Pool Efficiency and other low cost measures)
- Drivers of participation
- Ability to implement measures
- Key demographics to help understand and account for households

Depth Interviews with Key Partnership Staff and Stakeholders

Between August 28th and November 30th, Opinion Dynamics conducted depth interviews with the 13 key staff involved in the development and implementation of the Project. The interviews were with key Project staff from SCE (4), SoCalGas (2), The City of Palm Desert representatives (4) The Energy Coalition (2) and the Partnership Consultant. These depth interviews covered the following topics:

- Roles and responsibilities
- Marketing functions

- Interactions and communication between the Partners
- Ability to leverage Utility resources and infrastructure
- Recommendations for improving the Project

The depth interviews also guided the researchable issues for this evaluation.

Theory and Logic Model Workshop

Opinion Dynamics conducted a half-day Project theory and logic model workshop in October 2008. All four Partners were represented in the workshop and informed the discussion. This workshop helped to define the Projects activities and as well as the overall theory for how its activities will result in the desired outcomes of the Project. The resultant program theory and logic model guided the researchable issues for this evaluation.

Gap Analysis

We conducted a gap analysis to help document program activities and components, understand the Project in comparison to other Local Government Partnerships (LGPs) in CA, identify areas of improvement and determine whether the Project was meeting best practices for marketing energy efficiency programs. This analysis included a review of the Project's marketing materials and internal documents. We also examined the implementation strategies of several local LGPs in PG&E's Utility territory⁶, including LGPs in the East Bay, City of Stockton, City of Fresno and Bakersfield/Kern County, and the Community Energy Partnership (CEP), whose members include ten Southern California cities, Southern California Edison and Southern California Gas Company⁷. These LGPs were chosen because of their implementation in the State of CA but also because they were recently implemented and evaluated. Finally, this analysis drew from Quantec Consulting's (now known as Cadmus) National Energy Efficiency Best Practices Study.

Focus Groups with Residential Customers

Two focus groups with Palm Desert residents were held on December 10, 2008 at the Palm Desert Marriott Resort. Opinion Dynamics solicited SCE customer participation using a randomly drawn sample frame of 1,000 Palm Desert residents provided by SCE. The overarching goal of the focus groups was to gauge the perception of the Project's marketing and program delivery efforts in addition to identifying further improvements necessary to increase program participation.

During the recruitment process, we screened for residents who were aware of either the brand Set To Save or the City's recent initiative to reduce energy consumption in Palm Desert. We also screened to ensure that the recruits had not participated in any of the Partnership's programs. The recruitment process also ensured diverse residential characteristics including home ownership, pool ownership, pool pump types, Air Conditioning

⁶ "PG&E 2004-05 Local Government Partnership Programs." ECONorthwest, December 12, 2006.

⁷ The CEP began in 2006-2007 and the participating cities include Brea, Cathedral City, Corona, Irvine, Hermosa Beach, Moreno Valley, Palm Desert, San Bernardino, Santa Clarita, and Santa Monica.

Unit age, and Palm Desert resident type (year-round versus seasonal). Out of the 17 participants in the focus groups there were:

- 16 home owners;
- 13 pool owners;
- 3 variable speed pool pump owners;
- 12 with air conditioners older than 10 years; and
- 16 year-round residents.

Immediately following participation in the groups, the participants were given a \$75 honorarium.

Depth Interviews with Commercial Customers

Opinion Dynamics Corporation conducted a total of 13 depth interviews with Palm Desert commercial businesses in February and March of 2009⁸. Respondents were drawn from the full list of Palm Desert commercial companies with business codes corresponding to food service, hotels/motels and non-residential building operators provided by SCE and selected based on availability. Our screening process allowed us to find the key person within each company that makes decisions regarding energy usage and equipment. The screener also verified that the company conducted business in Palm Desert and was a current SCE customer. Further, the screening process eliminated businesses that have already participated in any Project program offerings, allowing us to focus on the companies that have yet to participate in the Project's efforts. The participants were each given a \$100 honorarium to complete the 15-20 minute interview. The following table presents a breakdown of the completed interviews. The objective of this research was to understand business motivators and barriers to making energy efficiency improvements.

Table 1. Commercial Depth Interviews by Sector

Target Sectors	Completed Interviews
Food Service	3
Hotels and Motels	3
Non-residential Building Operators	7

⁸ The depth interview guide is provided in the Appendix of this memo.

3. FINDINGS

3.1 Project Design and Implementation

This section presents our findings that speak to the Project’s design and implementation strategy. Specifically, we explore the Project’s primary activities, components, and its underlying theory. In addition, we explore the Project’s design in comparison to some other Local Government Partnerships in California.

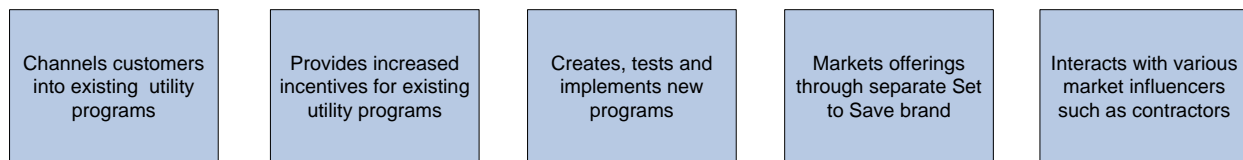
3.1.1 Project Design Overview

To help the City of Palm Desert achieve the 30% savings goal, the four Partners have come together to accomplish the following:

- Modify SCE/SoCalGas energy efficiency programs to meet the needs of the City of Palm Desert; and
- Aggressively market energy saving opportunities to the City of Palm Desert.

All Partners agree that the Project’s energy and demand savings goals are extremely aggressive, in fact likely one of the most aggressive conservation goals in the United States. All Partners seem equally committed to reaching this milestone. The Project’s ability to provide programs that cater to the needs of the Palm Desert community is especially unique. Given that this is a “Demonstration” Project, it is able to develop and test new components tailored for this community, such as new marketing approaches, program delivery methods and new products and services. The figure below shows the five primary activities undertaken by the four Partners to achieve the Project’s goal. We provide detail regarding each of the activities after the Figure.

Figure 1. Primary Project Activities⁹



Project Activity #1: Channels customers into existing Utility programs: The Project channels customers into existing Utility programs through it increased marketing and outreach efforts in the area.

Project Activity #2: Provides increased incentives for existing Utility programs: The Project alters existing Utility programs for the City of Palm Desert by offering increased incentives and/or altering the equipment requirements. Some examples include:

⁹ The Integrated School-Based, Industrial Energy Efficiency, and Savings by Design programs are not included in this table as no energy savings have been realized from these programs to date, nor are they projected through 2011.

- New construction programs were changed so that builders can opt for either total envelope measures or a prescriptive set of measures that they can implement one by one¹⁰.
- The Project offers increased incentive payments for renters so they have added motivation to encourage their building owners to adopt energy efficiency measures.
- The Project developed an HVAC program entirely catered to the City of Palm Desert with its own unique set of equipment incentives.

Project Activity #3: Creates, tests and implements new programs: One of the Project's activities is to select, test and implement pilot programs in the City of Palm Desert. One example is the "One Stop Shop Program Concept" The Project created this concept for a new early-replacement pool pump program, named the "Go with the Flow" Program. This program concept allows for a customer to call just one 800 number and all of the upgrade steps are handled at once: a contractor is identified, the customer receives a quote, the equipment is installed and an incentive is processed. This is seen as meeting the needs of many citizens, including retirees, who are less able to purchase and/or install the equipment themselves. There is also a direct installation component to the program where the program covers the projected savings cost over time and the customer pays the difference. The Project has also been able to negotiate economies of scale for this measure through a bulk purchase of qualified pool pumps and a growing network of Swimming Pool Installation Contractors.

Project Activity #4: Markets offerings through separate Set To Save brand: The Project has a large marketing and outreach effort in the City of Palm Desert with the sole purpose of encouraging energy savings in the area and energy saving incentives. Opinion Dynamics helped to document the Project's marketing efforts and determine if they are meeting best practices¹¹. The following table shows the marketing methods and the target markets that received information from each method. Our evaluation showed that the Project is implementing almost all of the best practices for marketing and outreach to penetrate all of the applicable target markets in Palm Desert. The Project is also exceeding best practices by conducting further outreach to specific organizations in the community, e.g., Home Owner Associations and Community Leaders.

¹⁰ Note that new construction program components have not been successful thus far mainly due to the recent housing market downturn.

¹¹ "Best Practices Benchmarking for Energy Efficiency Programs - National Energy Efficiency Best Practices Study." Quantum Consulting, December 2004.

Table 2. Project '07-08 Marketing and Outreach Efforts

Channels Target Market	Direct Mail	Newspaper Ads /articles	Radio/TV Ads	Telemarketing	Bill Inserts	Brochures	Newsletters	Presentations/Meetings	Show & Exhibits	Tests/Demonstrations	Other
Homeowners	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Non-Residential Bldg Owners	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Residential Renters	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Non-Residential Leasers/Renters	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Building Operators/Mgs	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
A/E Firms							<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		
Realtors							<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		
Developers							<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		
Builders/Contractors							<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Trade Associations, Manufacturers							<input checked="" type="checkbox"/>				
Wholesalers							<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>
Retailers							<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>
Non-for-Profit, Government							<input checked="" type="checkbox"/>				
Other											<input checked="" type="checkbox"/>
Other Target Market, Specify:	Homeowner association leaders, community stakeholders/leaders. Multi-Family and mobile home targets are included in the table above under homeowners and residential renters.										
Other Marketing Methods, Specify:	Quarterly lunch sessions, Breakfasts with the Mayor, Community Events, Website, Door to Door outreach to businesses, local media, Neighborhood Sweeps, phone calls to variable speed pool pump manufacturers to negotiate bulk rates/economies of scale, Desert Sun (local newspaper) coverage of program.										

Project Activity #5: Interacts with various market influencers: Notably, the Project leverages market feedback from the City and its network of market actors to help shape its programs. The Partners have created a network of market actors including HVAC contractors and swimming pool contractors. They hold quarterly lunch meetings with these market actors and leverage their experience for program component design input. These meetings have led to several program adjustments. For example, HVAC contractors informed the Project that the air conditioner models that qualified for rebates were too large. The Partners then revised the qualifying air conditioners to include smaller units.

3.1.2 Project Components

The Project encompasses many components, or program offerings, targeted to several residential and non-residential markets in the City of Palm Desert. The table below summarizes all of the programs offered to the City of Palm Desert in 2007-2008.

Table 3. Project Components by Target Market

Component Target Market	Appliance Recycling	Res Energy Efficiency Incentive	REEIP POS (Room ACs and Ref)	Multi-Family Energy Efficiency	Energy Audits	CA New Homes Program	Comprehensive HVAC	RCx Retro-Commissioning Program	Business Incentives and Services	Agricultural Energy Efficiency	Direct Install ¹²	Summer Discount Plan	PD City Ordinance - New Construction	Go With the Flow Program	AB-811
Homeowners	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Non-Residential Bldg Owners	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Residential Renters	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>			
Non-Residential Leasers/Renters	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Building Operators/Mgs	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Developers						<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>		
Builders/Contractors						<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>		
Trade Associations, Manufacturers, Wholesalers, Retailers, Non-Profit, Government, A/E Firms, Realtors															
Other										<input checked="" type="checkbox"/>					
Other Target Market, Specify:	Institutional, non-residential is segmented into business types such as golf courses/resorts, hotels, food service, retail spaces, etc.														

¹² The Partnership encourages energy saving measures through the use of residential and non-residential energy audits in combination with a direct install. The energy audits provide energy savings for the community on their own, via the direct install programs, but also serve as a channel into other larger savings programs.

3.1.3 Project Theory and Logic

To best link the Project's activities to its overall theory for how the activities might cause specific outcomes that lead to its overall 30% energy reduction goal, we further categorize its activities into four main activities: (1) Improved channeling into programs; (2) Enhanced delivery of programs; (3) New and increased incentives; and (4) Pilot program creation, testing and implementation. All of these activities complement one another to offer a cohesive suite of incentives, information and education necessary to encourage energy efficient measure adoption and behavior change. It is believed that the likely short-term outcomes of the Project's activities will be increased knowledge and awareness of energy efficient opportunities and enhanced customer satisfaction. These short-term outcomes advance the term goals of increased program participation and ultimate goal of energy and demand savings.

While the four broad groupings of all activities will likely remain constant throughout the program lifecycle, the efforts put forth under each activity may change to adapt to research findings and market needs. In this logic model, we provide an overview of what each activity entails and the theory underlining each activity.

Improved channeling into programs: Customers in the Palm Desert community prefer to hear energy saving messages from the City instead of the Utilities. The Palm Desert community has a history of distrust and dissatisfaction with the Utilities, and therefore may be reluctant to listen to the Utility's energy saving messages. The Project has increased and improved program marketing efforts to increase awareness and participation levels. Marketing efforts are primarily executed by the City so that the community hears about energy saving opportunities primarily from the City and not from the Utilities. The Project uses the City's knowledge of the community and existing communication infrastructure to more effectively influence energy saving actions than would occur if the Project did not exist. While community members have similar barriers to implementation of energy efficiency measures seen elsewhere in the state, the Project's primary premise is that involvement by the City in marketing the program and outreach activities will engender a higher degree of community desire to take energy actions. For example, the Partners created marketing collateral that is uniquely catered to this community's needs and established its own website, www.settosave.com, where the community can find all of the energy saving programs available to them. The City's Office of Energy Management executes most of the program marketing and initial customer intake for the programs.

New and increased incentives: Unique demographic and climate factors result not only in Palm Desert residents having extremely high electric bills, but also a higher than average concern (due to the fixed income of retirees) with the cost of energy efficient measures. One of the program assumptions is that the incentive levels offered by the territory-wide programs are not high enough to overcome the initial cost barrier. It is also assumed that the territory-wide programs do not cover the breadth of energy efficient measures available to the market. The Project offers new and increased incentives to Palm Desert residents and businesses to overcome cost barriers and cover a larger range of energy efficient measures. These incentives are intended to "sweeten the pot" and draw a higher level of participation. For example, the Partners increased incentives for HVAC equipment to promote saving

energy on air conditioning during hot months and heating during cool months.

Enhanced delivery of programs: Information dissemination and offsetting costs by themselves did not appear to be enough to encourage customers to take the substantive energy saving actions required to achieve the 30% energy saving goal. Some customers may need greater understanding of specific ways they can save energy in their own home or business before they will invest significant funds in energy efficient measures. One of the ways that the Project is enhancing the delivery of programs is through energy surveys, i.e. home and business energy audits over and above what is currently offered territory-wide. It is expected that the energy surveys provide the increased awareness and knowledge of energy saving opportunities necessary to inspire customers to take more energy saving actions in other parts of their home or business.

Pilot program creation, testing and implementation: The Project's pilot program efforts intend to deliver innovative offerings in addition to the utilities' program portfolio. The Partners develop, select and implement pilot projects in the Palm Desert Community. The pilots come in the form of new and/or tailored program offerings and program participation methods. The pilots address market barriers to energy efficiency adoption in ways previously not tested in other communities or by other programs. This activity allows the Project to adapt to market changes and test and incorporate new technologies or processes.

The Project's efforts are just one of several energy influences on the community. Several external influences, beyond the Partners' control, have the potential to affect the Communities adoption of energy efficiency measures and conservation behaviors. External influences may include the economy, other local government Partnerships, the SCE/SoCalGas territory-wide program efforts applicable to Palm Desert, climate, lifestyle, occupation, availability of energy efficient product, budget available to implement messaging, the energy crisis, accessibility to the media, neighboring Utility rates, and the cost of energy efficient products.

The project logic model is shown below and the corresponding description of the links in the model is in the table that follows.

Figure 2. Palm Desert Partnership Project Logic Model

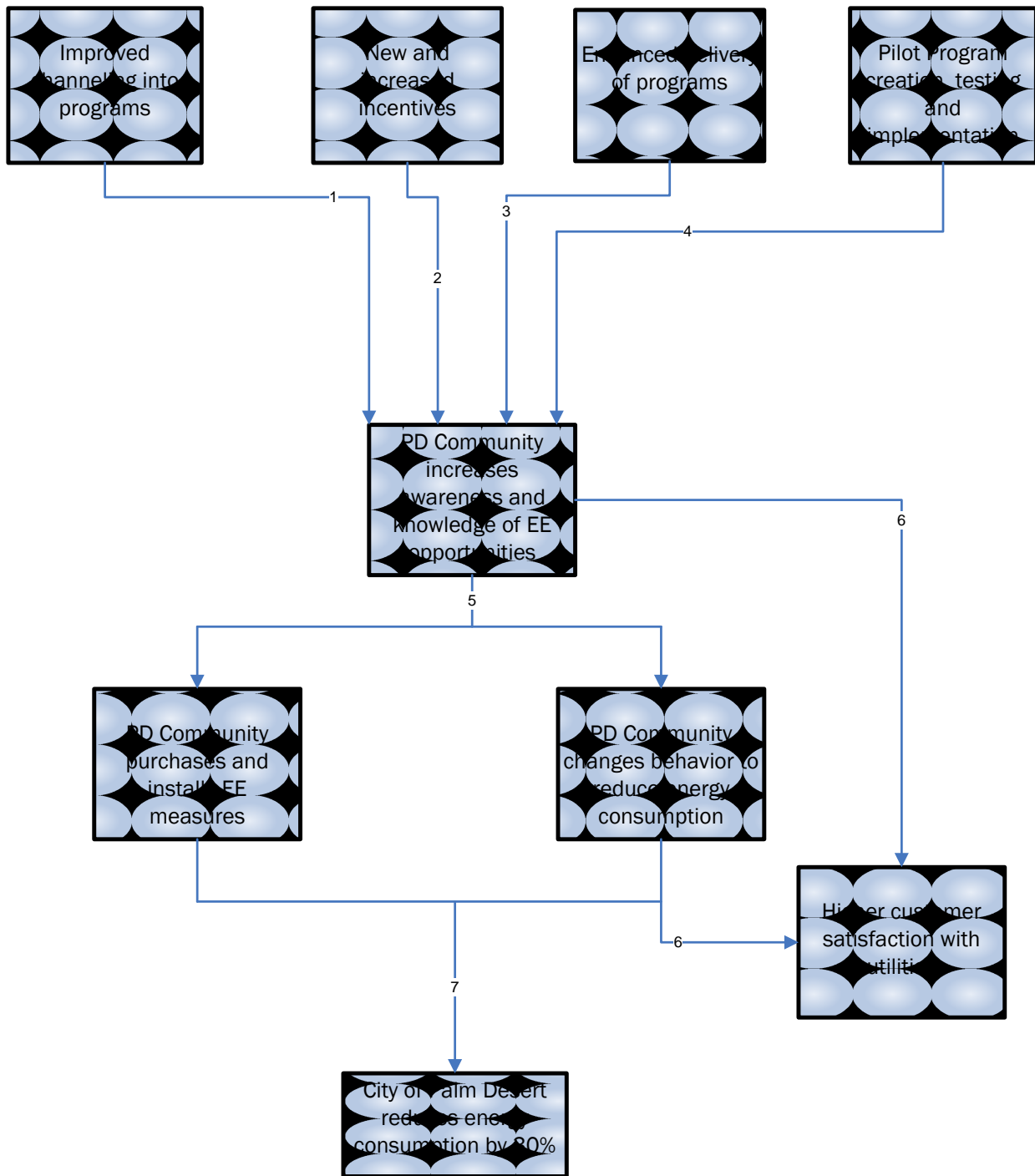


Table 4. Link Descriptions and Potential Indicators

Link Number	Link Description	Potential Performance Indicator	Possible Data Source
1.	<p>The community becomes aware of <u>all</u> of the Partnerships offerings (Pilot programs, new incentive programs and common Utility territory programs) through the marketing collateral, advertising, and outreach under the Set To Save Brand. The Partnership Project uses a co-branded marketing approach to use the City's influence and knowledge of the community. The City-focused branding is considered the most effective way to rally community support for the aggressive 30/30 goal. The Set To Save Marketing Collateral, Advertising and Outreach program is meant to increase awareness and knowledge of energy efficiency opportunities offered through the Partnership Project. The marketing efforts are also meant to build a better relationship between SCE and the community and create synergy between gas and electric program offerings.</p>	<ol style="list-style-type: none"> 1. Number and type of marketing collateral 2. Number and timing of TV Ads aired 3. Number and timing of radio ads aired 4. Content of website 	<ol style="list-style-type: none"> 1. Program tracking database 2. Content review of marketing collateral 3. Content review of website
2	<p>In order to increase the use of energy efficient measures in Palm Desert the community is offered new, and often increased, customized incentives that address their critical energy needs living in a desert climate. These increased incentives coupled with existing territory programs help to further overcome the financial market barrier in the community to increase the use of EE measures.</p>	<ol style="list-style-type: none"> 1. Number of applications for common programs 2. Number of applications for new customized incentive programs 3. Number of POS rebates redeemed 	<ol style="list-style-type: none"> 1. Program tracking database

Link Number	Link Description	Potential Performance Indicator	Possible Data Source
3	Information dissemination alone will not encourage customers to take energy saving actions. Customers need to directly experience the benefits of energy efficiency before they will invest significant funds in energy efficient measures. Efforts taken to allow customers to experience the benefits of energy efficiency free of charge will inspire customers to invest their own funds in substantive measures.	<ol style="list-style-type: none"> 1. Number of energy surveys completed 2. Number and type of recommended energy efficiency measures 3. Number of program applications completed by energy survey participants 	<ol style="list-style-type: none"> 1. Program tracking database
4	Because of the ambitious energy savings goals, the Partnership recognizes that it needs to address potential market barriers to energy efficiency implementation that common Utility territory programs do not fully address. The Partnership is continually testing ideas to overcome market barriers. Based on specific market barriers, the Partnership proposes, selects and evaluates pilot programs. The Partnership is currently formalizing their process for proposing, selecting and evaluating pilot programs. The goal of these pilot programs is to overcome market barriers in the Palm Desert community that common Utility territory programs and increased incentives funded by the Partnership do not fully address. As a result, customers will be more likely to adopt EE measures.	<ol style="list-style-type: none"> 1. List of market barriers that are considered to be present 2. Activities put in place to address these barriers - tied to specific market barriers 3. Documentation of the pilot program development process 4. List of Pilot programs created and implemented under this process 	<ol style="list-style-type: none"> 1. Program implementer interview 2. Program tracking database
5	The community increases awareness and knowledge of energy efficient opportunities provided by the Partnership Project through better channeling into existing territory programs, enhanced delivery of program offers, new and increased incentives for EE measures and pilot programs. An increase in awareness about targeted energy efficient measure opportunities and behavior modifications, will lead customers to purchase energy efficient measures and make behavior changes.	<ol style="list-style-type: none"> 1. Change in awareness of energy efficient opportunities 2. Change in knowledge of energy efficient products 3. Number of hits on website 4. Reasons for EE purchase 	<ol style="list-style-type: none"> 1. Customer survey/Focus Groups 2. Web statistics

Link Number	Link Description	Potential Performance Indicator	Possible Data Source
6	The awareness and knowledge gained through the PDP's activities will improve the community's perception of SCE. The energy efficiency experience resulting from purchasing and installing EE measures and making behavior changes will also improve the community's perception of SCE. Increased and improved communication with customers under the Set To Save brand presents an opportunity to increase customer perception of the Utilities. Customers' increased customer satisfaction with the Utilities will enhance their desire to participate in programs and save energy.	1. Customer satisfaction ratings over time	1. Customer Satisfaction Tracking Survey
7	The installation of energy efficient measures combined with changes in behaviors by the community will reduce energy consumption by 30% in the city over 2005 usage levels.	1. Energy usage by the city 2. Number and level of behavior changes taken by the community 3. Number and type of direct install measures	1. Program tracking database 2. Impact assessment

3.1.4 A Comparison to Other CA Local Government Partnerships

Opinion Dynamics examined the implementation strategies of several Local Government Partnerships (LGPs) in PG&E's Utility territory¹³, including LGPs in the East Bay, City of Stockton, City of Fresno and Bakersfield/Kern County, and the Community Energy Partnership (CEP), whose members include ten Southern California cities in Southern Cal Edison and SoCalGas territories.¹⁴ Some of the common and differential characteristics of these Partnerships in comparison to the Project are outlined below.

Shared Characteristics

- Local Government Partnerships in California offer many of the same services to community residents. Free energy audits for residential customers provide one example while retro-commissioning for non-residential customers is another offered in the East Bay (Oakland are) as well as Palm Desert.
- In general, the Project targets the same markets as the other Partnerships: residential owners and renters, and various non-residential customers and market actors (business, developers and builders, architects, engineers, building owners etc). Described below are those cases where there are differences.
- The Project is typical in its use of traditional marketing techniques. Direct mail, brochures, fliers, bill inserts and exhibits are relatively common among all of the Partnerships included in the report.

Additional Offerings By Palm Desert

- The Project appears to be the only Partnership using the local government's newsletter to distribute information on programming; this newsletter is distributed monthly to every resident and business in Palm Desert and is considered one of the most effective marketing tools for the program. The only other example cited in the local government report was in Silicon Valley where the Partnership uses the San Jose Chamber of Commerce newsletter to advertise PEC training events.
- In general, the Project and the CEP LGP target the same markets and offer similar programs. The Project does however typically have higher quality marketing materials and is capable of using customized marketing strategies within the Palm Desert community. Customization has not been possible on the same level through the CEP given the range of municipalities engaged in the partnership effort. A critical challenge for the CEP is the Utilities' uniform development and application of core programs across participating communities when the relevance of each program varies by city. By extension, it is hard for the CEP to promote and market programs using the same

¹³ "PG&E 2004-05 Local Government Partnership Programs." ECO Northwest, December 12, 2006.

¹⁴ The CEP began in 2006-2007 and the participating cities include Brea, Cathedral City, Corona, Irvine, Hermosa Beach, Moreno Valley, Palm Desert, San Bernardino, Santa Clarita, and Santa Monica.

marketing collateral across all service territories. Additional limitations are imposed by the CEP's structure and mission, which prevent cities from gaining access to funding for programming outside of energy efficiency. In many instances, cities have broader concerns and policy ideas that are not actionable under the CEP framework.

- Similar to the Project, almost all of the other LGPs offer education and information services. However, the Project has chosen to offer education and information services in a different fashion. Some tactics include:
 - Presentations catered to specific groups such as Home Owner Associations, Community Stakeholders, Chambers of Commerce and Food Service Businesses;
 - Informational booths at local community events;
 - Energy Efficiency education programs taught in elementary schools through other community Partnerships (i.e. Community Education Partnership);
 - In-person home and business education that occurs during energy audits.

Although LGPs tend to offer education and information components to their programs, tactical differences do exist. In most cases, the education and information services include free clinics and classes for residents and businesses. The Bakersfield/Kern Partnership also offers training sessions at multiple locations to business owners/operators, residential contractors, commercial design firms, and engineers and architects working on commercial properties.

Potential Gaps in the Project

- The promotional activities of the Project differ from a number of other Partnerships. Marketing strategies employed by some other Partnerships, but not by the Project, include: local government television channel promotions, in-store promotional displays, project area kick-off events, a winter Holiday Lighting Event (using LED lights), the use of community-based organizations, coordination with City Action Teams (CATs), direct phone solicitations, energy efficiency workshops and demonstration projects, and advertising on community websites.
 - The City of Stockton LGP uses CATs, which are existing teams created as part of previous efforts at community revitalization.
 - The City of Fresno LGP, uses community-based organizations, as well as energy efficiency workshops and demonstration projects to promote its single and multi-family direct install program.
 - The City of Stockton LGP conducts project area kick-off events for its single and multi-family direct install program.
- The Project has limited promotional materials that appear in English and Spanish. Examples from other local government Partnerships include Bakersfield/Kern, where the Partnership conducts television and radio promotions in both languages, and Stockton, where the Partnership mails flyers in English and Spanish. Notably, the need for Spanish-language marketing may not be as high in the City of Palm Desert due to its differing demographic characteristics.

- The Project is targeting a variety of market actors, residences and businesses in Palm Desert. However, other Partnerships serve target markets that the Project does not.
 - For example, while the Project serves non-residential customers in general, it does not offer catered programs to municipal facilities (or city and county building staff) whereas almost all of the other Partnerships provide energy audits and incentives for retrofitting activities.
 - In addition, Realtors are missing from the targeted actors for the Project. In Bakersfield/Kern, Realtors are used to deliver information and energy efficient products to area residents. Note that the Project plans to target Realtors starting in 2009.
 - Although Palm Desert has a high percentage of elderly residents, the Project does not have targeted programs for “assisted living and convalescent” facilities serving this group specifically like other LGPs in CA.

Based on our review of the Project, and other similar Partnerships, these areas are where the Project may wish to expand their efforts.

3.2 Internal Processes and Partnership Management

This section summarizes the key findings from this evaluation as they relate to internal processes and Partnership. Specifically, we explore the roles and responsibilities of each of the Partners for overall Project Management and for specifically for marketing efforts as the marketing efforts for this Project are extensive and involve several parties.

3.2.1 Project Management: Roles and Responsibilities

During our depth interviews, we explored the Project's internal processes including the current roles and responsibilities of each Partner, coordination and communication amongst Partners, and data tracking. The following gives a bird's eye view of each Partner's role in the program¹⁵:

- SCE and SoCalGas play a lead role in creating programs that cater to the needs of the Palm Desert community and strategic planning. The City and The Energy Coalition support this activity by providing input and insight on an ongoing basis. To facilitate the coordination and communication required for this large task, both Utilities have on-site personnel at Palm Desert's Office of Energy Management for a few days each week.
- SCE and SoCalGas also play a lead role in marketing strategy and tactics, including creating marketing plans, with support from the City and The Energy Coalition. SCE/SoCalGas also conducts quarterly luncheons with market actors in Palm Desert to provide feedback on the Project and marketing strategies.
- The City plays a lead role in marketing implementation, including creative design and distribution, through its own marketing department. The Utilities oversee this implementation. The Utilities and The Energy Coalition provide input and insight. The City also provides market feedback to inform the marketing and Project strategies via informal discussions with the community and by conducting formal telephone surveys with residents that receive home energy surveys but have not participated in other Utility programs. The City also made significant efforts on its own to help with the 30/30 goal such as changing new construction codes and helping to craft and lobby for an energy efficiency financing option.
- To accurately track the Partnership's success and progress towards its goal, the Utilities take a lead role in data tracking and reporting for the project, with support from the City and The Energy Coalition.
- The Energy Consultant's role is to coordinate and support Project management for the Working Group (the group of key Partners that meets weekly) and to provide

¹⁵ Partner roles and responsibilities will be explored and defined further during our upcoming Program Theory and Logic Model task.

industry insight. He also organizes, writes and distributes weekly reports for the Working Group.

- The Energy Coalition had the original vision for the Project and laid the groundwork for its development. Since then The Energy Coalition's role has changed as the Project has matured. Initially serving as a facilitator between the Utilities and the City, The Energy Coalition now plays more of a strategic role through participation in planning efforts and the documentation of replicable project activities for use in other municipalities. The Energy Coalition also provides insight into the Working Group meetings.

During our depth interviews we found that there is agreement amongst the Partners that having four¹⁶ "equal" Partners is challenging, and it was especially so during Project inception and roll-out.

When you've got four equal Partners each one thinking that they are equal they want to tell you what you ought to be doing. And it just makes the process a lot more time consuming and difficult to get some of the even the simplest things agreed to and done. Whereas, if it was just the City and SCE, we would be much further ahead.

There are additional obstacles in terms of marketing as well. In particular, the City and the Utilities have their own requirements and perspectives, which make reaching agreement on marketing strategies and materials a struggle. Both are heavily invested in how the Project presents its marketing campaigns and as a result, the decision-making process is less flexible.

There is agreement amongst the Partners that initially it took time to understand each Partner's roles and responsibilities. Specifically the marketing team experienced growing pains to determine the level of involvement and communication that was appropriate for each Partner. There was also frustration by the City during the early months of the program launch to understand the approval process and timelines associated with each of the other Partners. However, most of the Partners now feel that these initial obstacles have been overcome and that they all work well together.

This started as a disjointed and confusing effort, but it is now a very integrated program that has evolved into a very effective campaign. ... It is a true Partnership now – territorial at first. ... It took us three months to work it out, but we wanted to do it right.

Overall, communication and coordination between the Partners is going well. Representatives from each Partner are involved in two groups: the Working Group and the Marketing Team, which is a sub-group of the Working Group. The Working Group meets weekly (twice a month the Working Group meets in-person) to discuss status of the programs, new initiatives, and overall program strategy. The Marketing Team meets bi-weekly (mainly via telephone) to discuss marketing strategy and implementation. Both

¹⁶ The Energy Consultant is not a Partner.

groups are described as functional, flexible and amiable. The meetings are described as productive and accepting of differing opinions.

3.2.2 Marketing: Roles and Responsibilities

The Project utilizes several marketing outreach methods, which are detailed in the Project Introduction section of this report, to multiple target markets in the City to increase awareness and participation. The Project began with some confusion surrounding each Partner's marketing roles and responsibilities which led the Partners to restructure. A document outlining the marketing roles and responsibilities of each Partner was created. The Partners agree that this has improved internal processes as well as marketing communications to the community as of 2008. While all Partners participate in marketing in some capacity, the primary roles of each Partner is as follows:

- The Utilities lead the development and updating of the Strategic Marketing Plan, obtaining input and agreement from the City and The Energy Coalition throughout the process. The Utilities also take the lead role in identifying program offerings that need marketing support.
- The City plays the lead role in implementing the marketing strategies, both creation and distribution, with support and oversight from the Utilities. The City operates as a channel for customers to obtain program information and applications. The City is also responsible for much of the Project's initial customer intake. Customers are often referred into the programs through the City and therefore many customers call the City for information on how to participate. The City then refers residents to the other Partners on an 'as needed' basis.
- The Energy Coalition supports the work of the marketing committee and participated in its establishment and modification.

Much of the Project's success is attributed to several contributions that the City has made. The City is considered the voice for the Project to the community. The Palm Desert community has a negative perception of SCE as price-gouging its customers, one reason why is because Palm Desert is adjacent to a community served by a municipal utility that charges lower electricity rates. Focus groups with residential customers confirmed this perception as some participants said that the rates charged by SCE are too high and always increasing. Given this negative perception, the Partners feel the Project will have greater success if it is primarily marketed as a City-sponsored effort. The Partners agree that the City is in a favorable position to market the Project as residents tend to pay attention to messages that came directly from the City.

The City has really got great rapport with their residents.

In light of this, most of the marketing collateral highlights the City's sponsorship and communicates SCE and SoCalGas as smaller supporters. The Project brands itself under the name "Set To Save" instead of a brand that identifies SCE or SoCalGas. As such, the program is marketed as intended: a program that benefits the individual and the community in Palm Desert, without negative preconceptions that might accompany utility sponsorship.

The Project has received a significant level of support from the City to extend marketing into the community. The City uses its existing communications structure and its capacity to rally

the community to action. For example, the Partners drew on the Mayor's influential position by conducting a "Breakfast with the Mayor" event having the Mayor speak on behalf of the program to Homeowner Association Leaders in an effort to increase participation in multi-family dwellings.

The City also provides feedback to the other Partners on what is working and not working. The City has an established, trusting relationship with its citizens. It understands the demographic make-up and unique attributes of the community. Consequently, the City provides an understanding of the unique conditions in Palm Desert and the market feedback it needs to refine strategies. Some examples of the City's market feedback and consequent program refinement are:

- In 2007, the program found that it mailed too much collateral to residences when the City heard complaints from constituents. The Partners immediately responded by refining its marketing plan to reduce direct mail collateral in 2008.
- Early marketing brochures did not feature images that resonated with the community. City officials heard complaints from citizens and the Partners agreed that the City should take the lead role in creative design and since then the brochures truly reflect the City of Palm Desert and have a consistent "look and feel" as other City communications.

At first SCE sent out direct mailers that did not look like any of our other city materials - even though it said Set To Save, there was no uniformity and people were confused... Now with the City taking the lead, our Set To Save mailers have the same format as our other direct City mailings. It is compatible and customers recognize that it is coming out from the City.

The City has a large customer database with types of customers, number of pools, number of permits, etc., that the Utilities are able to supplement with their own customer databases. The City has permitted access to their information systems to inform program strategy. Marketing communications are also able to further reach the intended target due to the City's databases. For example the City allowed the Utilities access to its database that identified pool owners in the community. Based on this information, the program was able to target all pool owners with its marketing of pool pump incentives.

In addition to the City's contributions to marketing, the gas and electric companies are working well together to give residents and businesses a holistic view of energy efficiency opportunities. The Partners have already streamlined marketing materials for the residential market. In this respect, a homeowner is able to see all of the energy saving options sponsored by the Project regardless of the energy source. In 2008, the Partners created a direct mail collateral piece that combined the programs offered by SCE and SoCalGas to give residents a holistic view of energy saving options for the home.

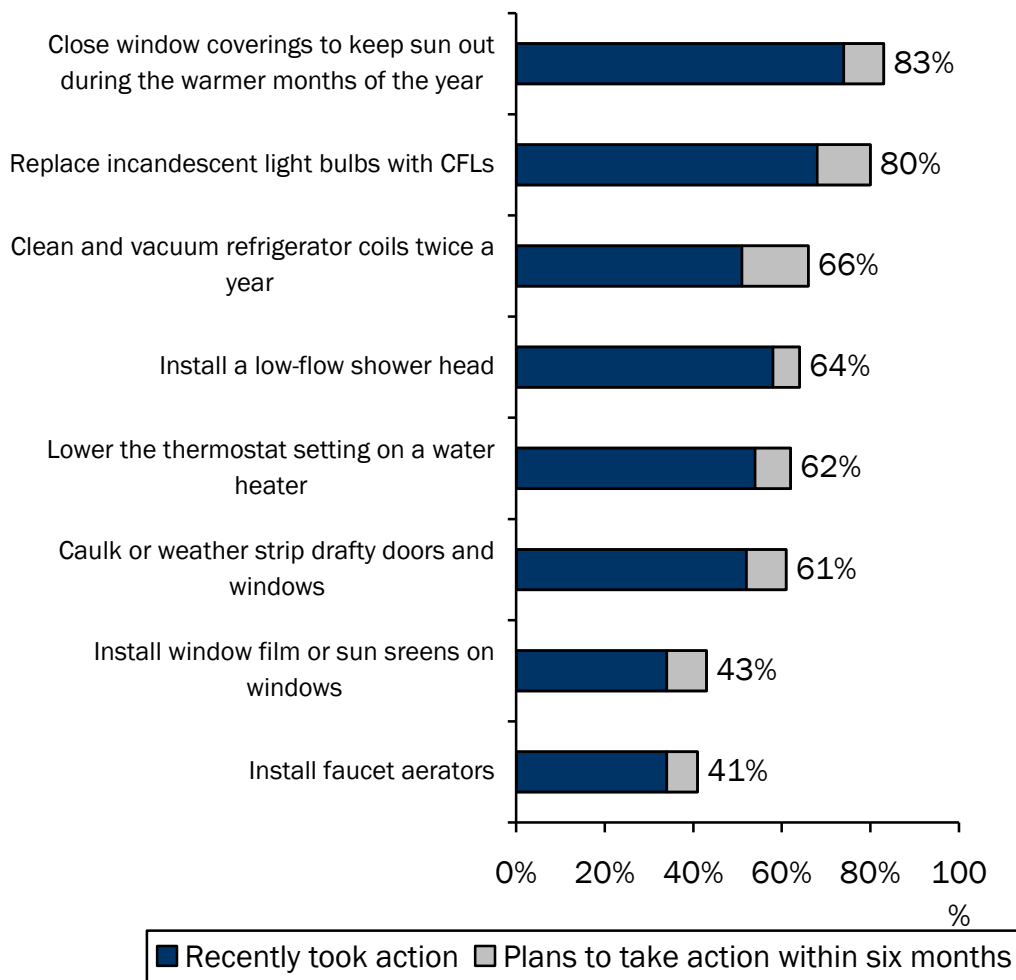
3.3 Residential Baseline Market Assessment

This section summarizes some of the key findings from the 200 residential baseline interviews conducted for this evaluation and the residential focus groups. The baseline survey provided a better understanding of the market that the Project seeks to serve and provided input into the program description, theory and recommendations for improving market participation.

Self-Reported Energy Efficiency Measures and Behaviors

Respondents self-reported high levels of action when asked questions about no-cost or low-cost energy efficient (EE) behavioral practices.

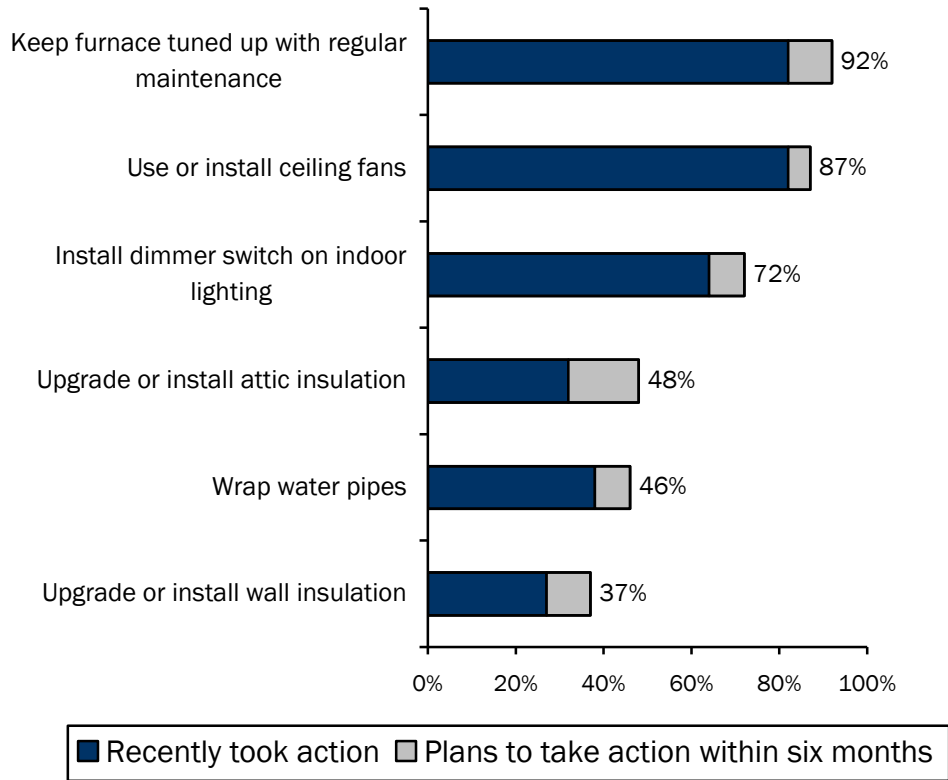
Figure 3. Self-reported Low-Cost EE Measures and Behaviors (Total Respondents, n=200)



“Would you say that your household has recently taken this action, intends to take this action within six months, or is not currently planning to take this action?” Survey question GH1 located on Page 85.

Respondents also self-reported high levels of action when asked questions about high-cost efficient purchasing decisions.

Figure 4. Self-Reported EE Measures and Behaviors (Homeowners, n=154)

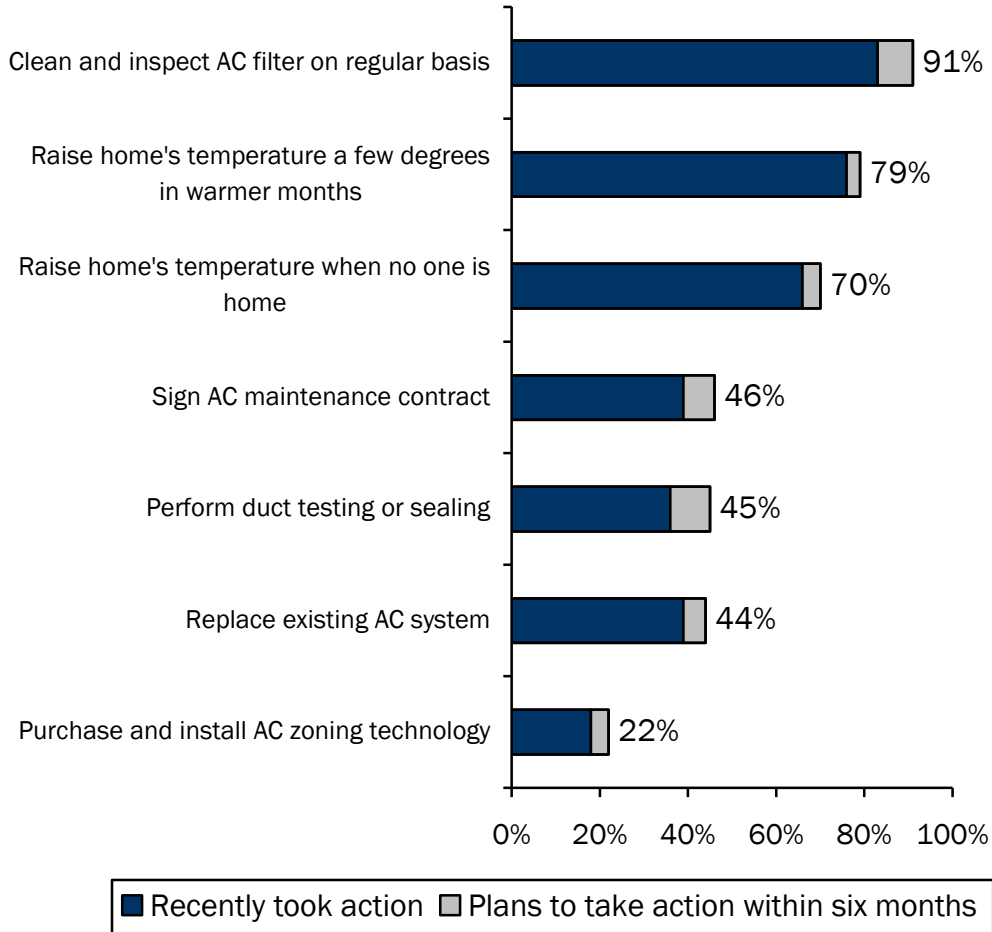


“Would you say that your household has recently taken this action, intends to take this action within six months, or is not currently planning to take this action?” Survey question GH1 located on Page 85.

Energy Efficiency Actions Taken for HVAC Maintenance

Most Palm Desert residents use a central AC system to cool their homes (~85%), but only 29% of air conditioning system users have a programmable thermostat. The next Figure explores the energy saving actions taken, or planned, by air conditioning system users.

Figure 5. Self-Reported AC Efficiency Measures by Respondents (A/C users, n=135)

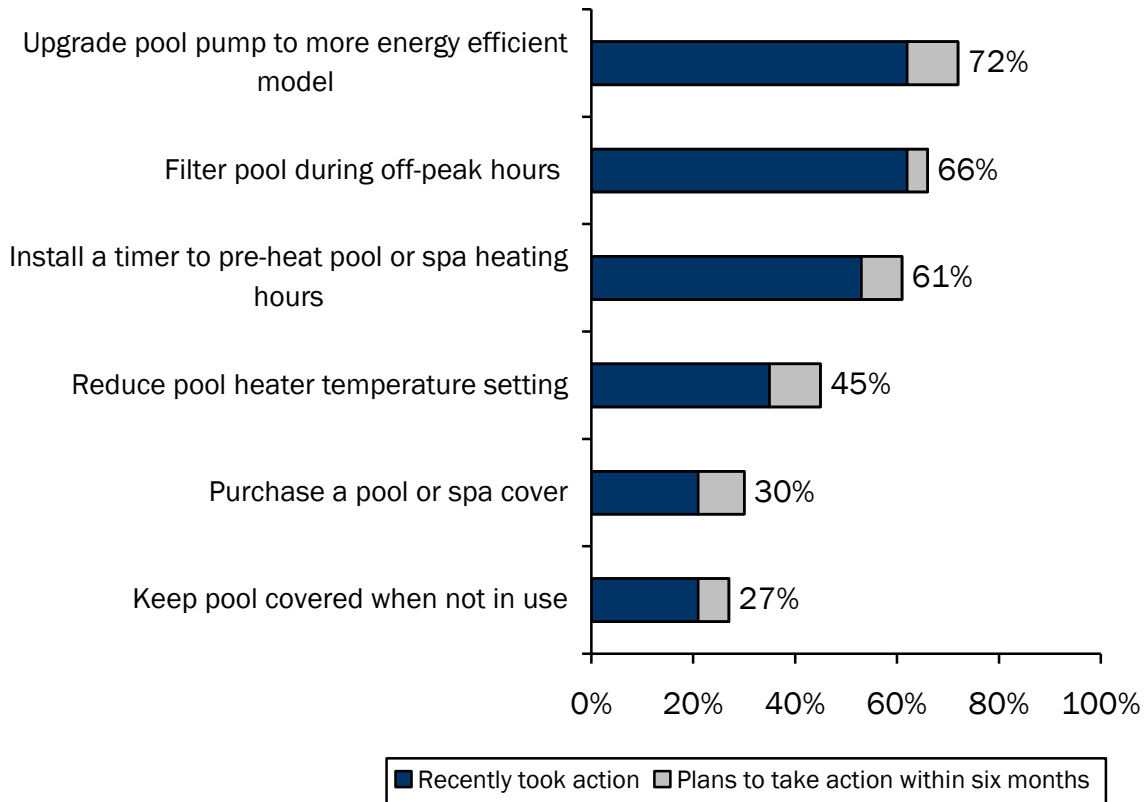


“Would you say that your household has recently taken this action, intends to take this action within six months, or is not currently planning to take this action?” Survey question AC3 located on Page 84.

Energy Efficiency Actions Taken for Pool Maintenance

Just over one quarter, 27%, of the residents with whom we spoke pay the Utility bill for a pool or spa. The next figure explores the energy saving actions taken, or planned, by pool or spa owners.

Figure 6. Self-Reported Pool Efficiency Measures (Pool/Spa Owners, n=52)



“Would you say that your household has recently taken this action, intends to take this action within six months, or is not currently planning to take this action?” Survey question P2 located on Page 86.

Energy Efficiency Awareness, Motivational Triggers and Purchasing Realities

- An overwhelming majority of respondents believe that they are aware of ways to save energy (95%).
- Almost all of the respondents expressed motivation to save energy (with 70% strongly motivated to save energy, and 23% somewhat motivated). When probed for the reasons behind their motivational levels:
 - Saving money was the most frequently cited driver (68%),
 - Followed by environmental concerns (31% cited need to address global warming, 28% referenced wanting to improve air quality),
 - And then by a desire to live a “socially acceptable” lifestyle (14%).
 - 66% of people believe that that energy efficiency is an important factor to consider when purchasing a new appliance (47% strongly agree, 19% somewhat agree).
 - We asked the 107 respondents who did not rate EE to be the most important purchasing factor what other factors were more important. 25% cost of running the appliance, 18% of respondents said initial price, and 10% said brand reputation.

Energy Efficiency Marketing Channels

- Mailings are the prime way that residential customers are receiving energy efficiency information. The majority of Palm Desert residents have received information about energy saving opportunities through Utility and City mailings.
- While mailings were the most commonly cited source of EE info, newspapers were also frequently mentioned in unprompted responses (in an open-ended question, 29% mentioned newspapers).
- Interestingly, even though 64% of respondents consider themselves to be active Internet users, the web is not a heavily utilized channel for learning about energy efficiency – although it does seem to be a way that participants find out about programs.

3.4 Residential Market Participation

This section provides an understanding of the market that the Project seeks to serve and helps identify ways by which the Project might increase market participation. The information in this section is drawn from the 200 residential baseline interviews and residential focus groups conducted for this evaluation.

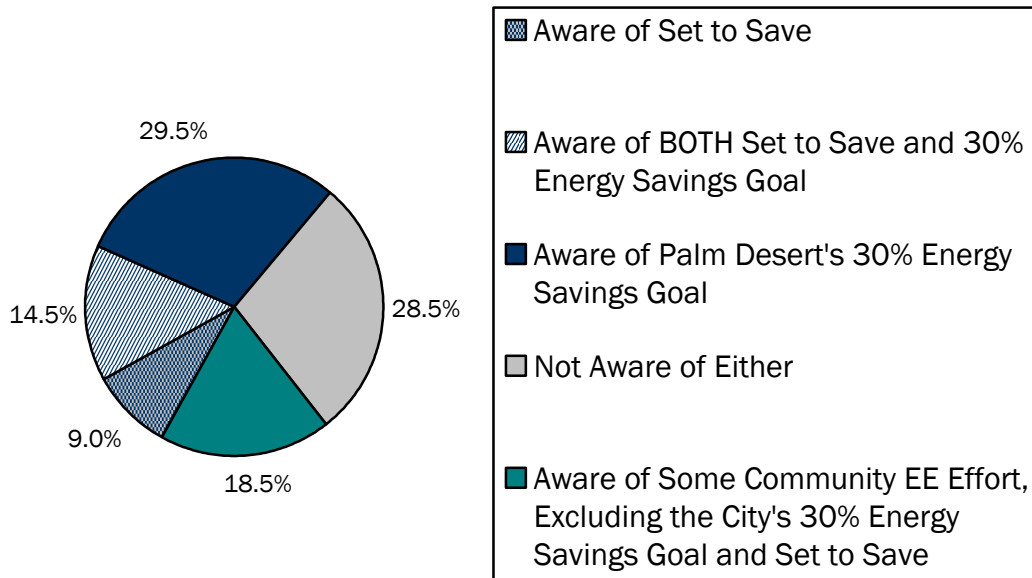
Awareness of Energy Efficiency Efforts in Palm Desert

A majority of Palm Desert respondents were aware of at least one energy-saving effort underway in the community (71.5%). While the majority of respondents self-reported that

they are aware of some effort, roughly one third of the respondents (28.5%) were uninformed of any efforts.

- 44% of all respondents stated that they were aware of the City of Palm Desert's goal to reduce energy by 30% (29.5% + 14.5%)
- 24% of all respondents were aware of Set To Save (9% + 14.5%)
- 18.5% indicated that they were aware of some energy efficiency effort, but were not specifically aware of the City of Palm Desert's efforts, or the Set To Save program

Figure 7. Awareness of Energy Efficiency Efforts in Palm Desert (n=200)

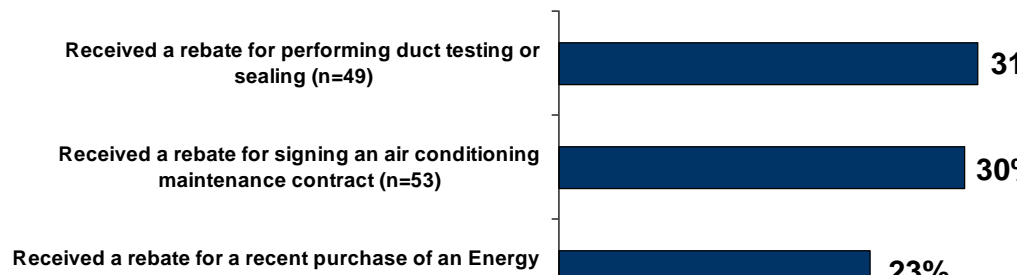


“Are you aware that the City of Palm Desert has set a specific goal to reduce the city’s energy usage by 30% over the next five years?” Survey Question SS1 located on Page 89. “Have you heard of the “Set To Save” campaign or program?” Survey Question PDP1 located on Page 91.

Self-Reported Use of Rebates

Interestingly, among respondents who purchased energy efficient equipment and measures that qualified for rebates, the majority did not utilize rebates to help bring down the cost of the purchase.

Figure 8. Self-Reported Use of Rebates for Energy Efficiency Equipment

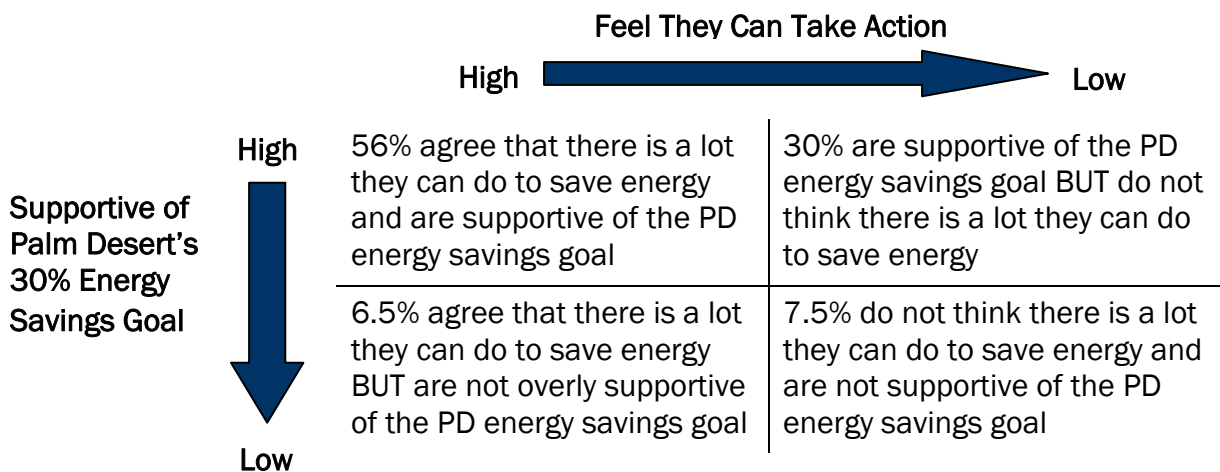


“Did your household use a rebate when you purchased your new energy efficient appliance(s)?” Survey Question AP2c located on Page 88. “Did you receive a rebate for upgrading your pool pump?” Survey Question P3 located on Page 87. “Which actions did you receive a rebate for?” Survey Question GH3 located on Page 86.

Levels of Support for Palm Desert Energy Saving Goal & Perceived Ability to Increase the Efficiency of One's Home

After becoming aware of the City's energy saving goal, almost all residents (86%) were supportive of the goal. More than half of all respondents are both supportive of Palm Desert's energy saving goal and feel that there is a lot they can personally do to save energy in their homes. Yet interestingly enough, a sizable percentage (30%) of residents feel that the energy saving potential in their homes is low.

Figure 9. Levels of Support for Palm Desert Energy Saving Goal & Perceived Ability to Increase the Efficiency of One's Home



"Now that you know that Palm Desert aims to reduce energy usage by 30 percent over the next five years, can you tell us which of the following statements best matches your feelings about the goal." Survey Question C1 located on Page 92. "Please state your level of agreement with the following statements. You can say I strongly agree, somewhat agree, neither agree nor disagree, somewhat disagree, or strongly disagree." Survey Question B1 located on Page 79.

Effects of the Set To Save Program

A small proportion of respondents to our survey (17%) were aware of the Set To Save programs. These respondents were asked specific questions about the Set To Save Program:

- Set To Save Provides Valuable Information
 - 79% said they feel better equipped to improve the efficiency of their home as a result of information presented through the program.
 - Of the seven people who did not feel better equipped, when probed they said that more specific information on the website and more financial assistance would have made the program more helpful to them. Notably, this survey was conducted prior to the passing of the financing option provided by AB-811.

We also facilitated focus groups with residential customers in December of 2008. The primary goal of these groups was to identify ways by which the Partnership might increase participation in programs. The following provides a summary of the key findings from these

focus groups.

- Awareness of the Set To Save Brand name is low. Participants did not indicate a high level of awareness of the Set To Save brand name or the website.
- People seem to know that the City is promoting energy efficiency, but they do not necessarily have a good understanding of how or why the City is doing it. Customers seem eager to be involved in energy efficiency and helping their community achieve this great goal. Customers are very proud of their City and want to be a part of the effort.
- Residents have energy costs high on their minds as they often have high energy bills due to the hot climate and higher Utility rates than neighboring communities. Consequently, many actively monitor their electric bills each month, especially during warmer months, and are seeking ways to reduce their bills. Residents believe that pool pumps (along with A/C) are among the greatest energy users in the home. Participants seemed interested in the new pool pump program and wanted more specific information on what it offers and how to participate (e.g. who to call). Residents also expressed interest in the loan program but were skeptical because it is a new program and they want evidence that it is well-funded and working properly before they participate.
- The perception of rebate programs is that they are time consuming and offer too little incentive to participate. The time spent applying and waiting for a rebate check is sometimes too onerous to justify the small payback.
- Many participants noted that they have taken some energy reduction measures but are unaware of the impact on their energy bills.
- There is little evidence that the program is generating "buzz" as no one had heard about the energy saving efforts happening in the city from others such as friends, colleagues or family.

3.5 Commercial Market Participation

We conducted depth interviews with several commercial customers in Palm Desert who had not participated in the Project's program offerings. These interviews were conducted with energy equipment decision makers from restaurants and hotels and commercially-leased property managers. The following summarizes the key findings from these interviews.

- The economic downturn is having a significant impact on the hospitality industry and consequently their investment decisions regarding energy efficient equipment upgrades. Although comments about the economy were confined to hotel and motel operators, the cost of equipment is a key consideration for all commercial customers.
- Interest in rebates as well as energy audits is high. However, while there is interest in the PDP's program offerings, businesses often do not know these services are available to them and in some cases worry about the time commitment and value added from energy audits and other program components such as mail-in rebates. The time constraints placed on this group of customers limits the resources they have available to engage in information seeking.
- Awareness of the Set To Save Brand name is low among commercial entities in Palm Desert. Most are also unaware of the City's other energy saving financing opportunities, including AB-811. While name recognition is not the only measure of awareness, program messaging does not appear to be reaching the commercial sectors interviewed. In addition, many respondents indicated awareness of residential incentives but were unaware of incentives for businesses.
- Split incentives make encouraging energy efficiency improvements in leased commercial spaces challenging, whether used for food service or other non-residential purposes.¹⁷ Tenants and building owners are both sometimes authorized to make energy efficiency investment decisions, although on a different scale. This may require a two-tiered strategy for working with these types of businesses. This strategy may also be warranted given that tenant turnover presents a related problem in terms of investment decision making. Research into small business energy efficiency programs has demonstrated that when tenants are unsure how long they will occupy a space, they may be averse to investing in upgrades to the facility.
- These business segments appear to value energy savings above other program participation benefits. However, their time is extremely limited and thus ease of participation is highly valued, and time constraints are often a substantial barrier to program participation.

¹⁷ Split incentives arise in situations where a decision maker does not reap the benefits of making the decision desired by society or policy makers. Instead, another party receives the benefit associated with the decision. The tenant/landlord relationship is a common example of this phenomenon in energy efficiency programming.

4. RECOMMENDATIONS

Recommendations for each of the researchable areas are provided in the sections below.

4.1 Internal Processes and Partnership Management

Based on the primary and secondary research conducted for this evaluation effort, below we present six recommendations related to the internal processes of the Project, and managing the Partnership. Most of these recommendations are geared toward encouraging the Project to continue current efforts that appear to be effective. A few of the recommendations are for new potentially new efforts to improve communications both internally and externally.

- **Continue effective communication and coordination through frequent meetings and information sharing between all four Partners.** The Partnership required a significant amount of ramp-up time to determine the appropriate roles for each Partner and to establish the right level of communication and coordination. Overall coordination and communication between all parties is going well. Partners are meeting weekly, and in-person on a bi-weekly basis. Sub-groups have been formed for marketing and overall program strategy, and these groups are working well together.
- **Take fully advantage of the City of Palm Desert for marketing and resources.** The Project benefits from the City of Palm Desert as it is an actively engaged Partner. One of the greatest strengths of the Project is its ability to draw on the resources of the City of Palm Desert for marketing strategy and implementation. The City is able to capture the spirit and color of the Palm Desert community in a way that the Utilities could not. The City knows how speak to the community, is experienced with all of the existing communication channels and is able to leverage their own communication infrastructure to effectively communicate the energy saving message. In addition, the City is a willing and motivated Partner strongly committed to achieving program goals. The City has committed its own resources to the Partnership. These initiatives include passing City Ordinances, AB-811 and staffing an Office of Energy Management committed to channeling customers into Utilities programs. Future Partnerships with City governments should use the City's existing knowledge of the community, communication infrastructure and relevant databases.
- **Collaborate with the City of Palm Desert on new programs.** The City representatives would like to target additional measures that they feel are unique to their climate and community, but have sometimes found that the Utilities are not amenable to the adoption of these measures. One example is solar screens which are not part of the program, but are felt to be of benefit to the city's residents.
- **Enhance coordination and communication with other Partner resources.** The Project might benefit from increased coordination and communication with other Partner resources. For example, the account executives at SCE and SoCalGas should increase coordination with the key Project staff to help identify opportunities and provide input

into program offerings, such as re-aligning incentives.

- **Improve marketing data tracking systems.** The Partnership does not currently have a tracking system in place to measure the success of each marketing effort. In addition, it does not have specific internal goals for each marketing effort (i.e. certain number of collateral each year). The Partnership may benefit from implementing a marketing data tracking system to measure the success of marketing efforts.
- **Explore improvements to Project tracking & reporting.** The Project currently reports monthly on the performance of the program, which includes accomplishments, upcoming events and the quantitative progress towards the 30% goal. Per the energy savings currently tracked by the Project and the Utility programs for the City of Palm Desert, our depth interviews with City representatives uncovered that there is some confusion as to why there is no credit given to the incremental savings between the new equipment and the removed appliance.

4.2 Residential & Commercial Market Participation

Based on the primary and secondary research conducted for this evaluation effort, below we present eight recommendations to help expand the reach of this project within both the residential and commercial markets.

- **Alter promotional messaging by using the City's 30% goal as a motivator for program participation.** We recommend that the PDP better inform the community of the City's 30% goal in all of its marketing communications so that the community feels like they are an additional Partner in the effort. This message should create excitement in the community to get involved and do their part. Customers are very proud of their City and want to be a part of the effort. Promotion of the 30% goal, Palm Desert as a leader in energy efficiency and frequent progress updates could help increase participation and generate the buzz necessary to encourage a groundswell of community support, such as a thermometer showing progress towards the goal in the City center or mailings showing progress. While the messaging should be expanded to include the City's 30% goal, the messaging should also continue to stress the cost savings and ease of participation in programs. We also recommend that the PDP continue to leverage the City for marketing and resources as it appears well-positioned to increase awareness and inspire action in the community.
- **Create marketing collateral and incentives that generate "buzz."** We recommend that the Project create new marketing collateral and provide an incentive structure that generates "buzz" or word of mouth for the Project. The Project could encourage participants to display a window sticker at their facility in the non-residential market. For residential market, the Project could provide bumper stickers, yard signs and "tell-a-friend" incentives. The project could also consider free clinics or classes, energy champions and pledge contests.
- **Add marketing channels to extend the reach of the Project's messaging.** We suggest that the Project consider additional marketing channels to extend the reach of the Project. The Project might consider using internet as a way for customers to opt in to receive

email about the program. Existing volunteer networks, local government television, in-store promotional displays, project area kick-off events, community-based organizations, direct phone solicitations, energy efficiency workshops and demonstration projects, advertising on community websites are all additional channels that the Project should consider to increase awareness in the community. Commercial customers residing in Palm Desert should be targeted through the “residential” channels as well, thereby receiving double exposure. However, notably many commercial owners/decision-makers likely live outside of Palm Desert. Furthermore, the Project should continue its strategy that draws upon existing business networks, such as Chamber of Commerce members, as they are essential to disseminating information about the program and its benefits to business. The Project should also conduct outreach to restaurant and hospitality trade associations active in Palm Desert or Southern California. While time intensive, presentations at gatherings of these professional communities goes a long way towards engaging these sectors and improving their knowledge of energy efficiency program opportunities.

- **Target additional market segments.** Much of the Project’s focus in 2007 and 2008 was on the residential market, large resorts, golf courses and few large commercial and industrial customers. We suggest that the Project expand its future efforts to target additional market segments such as restaurants, smaller hotels and commercial properties. While the Project offers incentives to these segments, they have not necessarily conducted a targeted marketing outreach effort to them since their efforts in 2007 and 2008 were primarily focused on the residential market. Among the commercial market segments, it was determined that cost savings is the key to program participation, consequently program measures promoted should be those offering each commercial segment the highest paybacks. The Project should continue offering incentives for measures targeted to specific segments, such as equipment offerings that include gas-fired water heaters, lighting and high efficiency room A/Cs for the smaller hospitality businesses. Notably, the Partners have already begun work to target other segments and have begun further market segmentation efforts.
- **Resolve conflicts in marketing between SCE’s programs and the Set To Save programs.** There have been instances where the Utilities have marketed programs that are in direct conflict with the Set To Save programs. The programs tend to differ in terms of incentive levels, e.g. the Set To Save program might offer a higher incentive to Palm Desert residents for energy efficient air conditioning systems than the Utilities’ territory-wide programs. A process should be in place so that the Utility marketing teams are fully aware of the Set To Save marketing efforts at any given time to ensure that Palm Desert residents are quoted the highest incentive.
- **Streamline disclosure requirements to include only what is truly necessary:** One area of contention between The City and the Utility Partners revolves around the disclosures that The City is required to add any time the “Set To Save” logo is shown. The disclosure is long, in fact, when added to a 15 second radio spot it doubled the length (and added additional cost) of the ad. This requirement has had a negative impact on the City’s willingness to use the Set To Save logo in their own newsletters and City mailings, since doing so would require the addition of the “disclaimer”. We recommend that the Partners find ways to streamline disclosure requirements so they can continue to use the Set To

Save logo¹⁸.

- **Improve timeliness of advertising:** More effort should be given to determine the appropriate time to deliver messages to residents and business. The messages should be more appropriate and timely – e.g. a program component promoting pool heating measures should advertise during the Fall and Winter months, not during the Summer.
- **Streamline the application process:** We recommend that the Partners consider ways to streamline the application process so it is more user-friendly and convenient for the customer. A way should be found to combine both the gas and electric Utilities' application forms and thus require the applicant to only mail in a single application. Program participation might also increase if the Project offers more instant rebates at the Point of Sale. Further customer research into the application process is necessary to determine if the application process is a large barrier to program participation and also to better understand other areas for improvement. Notably, the Partners acknowledge the application process issues and are currently discerning strategies to address them.

4.3 Partnership Component Replication

Finally, as mentioned earlier in this report, based on the early success of this program, there are several components of the Project that could be transferred to other jurisdictions. To assist with this effort, we recommend the following.

- **Formalize and document the pilot component development process from conception to implementation.** Our evaluation showed that the Project is selecting, testing and implementing several new components in Palm Desert but does not have a formal process for doing so. Partners also mentioned the current time-consuming process for implementing “pilots.” We recommend that the PDP work toward a formalized process for identifying, testing and implementing pilot components. Other Utilities and stakeholders may find success in implementing the Project's pilot components. In addition, a formalized process may help shorten the time it takes for new components to move from conception to implementation. This process would also help to identify and document the criteria by which a pilot program succeeds or fails.
- **Track Project interest from external parties and seek opportunities to showcase successes.** We recommend that the Project begin to track its requests for information from other cities, or interested parties. Our evaluation revealed that many other cities call Palm Desert or the Utilities with interest in certain components such as AB-811. We suggest that the Partners start to track these requests from other cities to demonstrate the level of interest in the Project as an indicator of potential replication. Request tracking should include, at minimum, the interested party, contact information, what the

¹⁸ Disclaimer Example: “The Palm Desert Partnership Program is funded by California Utility customers and administered by Southern California Edison and Southern California Gas Company under the auspices of the California Public Utilities Commission. The 2008 Energy Efficiency Upgrade Program is funded by California Utility customers and administered by Southern California Edison and Southern California Gas Company under the auspices of the California Public Utilities Commission, through a contract awarded to Energy Controls & Concepts. California customers who choose to participate in this program are not obligated to purchase any additional services offered by the contractor. The trademarks used herein are the property of their respective owners.”

party is interested in and why, and the follow-up plan. Further, we suggest that the Partners seek and seize opportunities to communicate successful Project components to interested parties outside Palm Desert.

Appendix A. DETAILED FINDINGS FROM RESIDENTIAL FOCUS GROUPS

Overall the focus group discussions were extremely valuable in identifying ways by which the program might increase participation. The groups validated the Partnership's decisions and served as an eye opener as to how the community is receiving and interpreting program efforts. In order to provide a quick turnaround of the information gathered from the focus groups, we organized the findings into a table format.

Table 5. Findings from the General Residential Focus Group Discussion

Focus Group Topic	Summary of Participant Comments	Potential Program Implications/Recommendations
Home Energy Use	<ul style="list-style-type: none"> - Participants pay varying levels of attention to their electricity bill. Some scrutinize it closely every month while others, such as those on payment plans or using automatic payment, look at the bills only on occasion. - Some participants review their bill even more closely the higher it gets while others only look at the total amount due. - Most people believe that AC units and pools use the most electricity.¹⁹ - In general, participant's gas bills are much lower than electric bills. 	<ul style="list-style-type: none"> - Program information included in bill inserts is likely to be read by those who carefully review their monthly bill. - As the cost of electricity rises and some individuals pay greater attention to their bill, there is an opportunity to reach a broader audience with program messages through the bill. - The one-stop show pool pump program should continue an aggressive marketing campaign as the measure strategically aligns with customer perceptions of what consumes a large amount of energy in the home. - Given that gas consumption is low, customers are not likely to invest in measures to reduce gas consumption. The gas reduction goal for the program may need to be readdressed for its feasibility. In addition, cost saving messages will not likely motivate this customer base to invest in gas measures.
Energy Reduction Efforts & Challenges	<ul style="list-style-type: none"> - Over the last two years, participants installed new AC units, pool pumps, freezers, refrigerators and CFLs. Participants also added insulation, installed attic fans, repaired ducts, replaced windows, and one purchased a new heater. - Some participants are aware of variable speed pool pumps but there is some debate over the potential cost savings and product compliance with older pools. - A number of participants participated in energy audits, likely through the HEES program, after which some individuals received free light bulbs while others did not. - Many participants set their AC units around eighty degrees during the summer months. - A condo resident had a new roof added to his building. - At a minimum, most people considered energy efficiency measures. One did not because the payoff didn't seem worth it. 	<ul style="list-style-type: none"> - The program must effectively demonstrate the cost savings associated with energy efficiency efforts as cost is the key decision factor influencing energy reduction efforts. - Examples of what an average customer is saving can go a long way, people might benefit from knowing what their energy costs would be if they had not taken a certain energy efficient measure. Customers would benefit from knowing the ongoing savings realized by taking a particular action despite rate increases, weather conditions or increases in plug loads. This ongoing savings knowledge might also help create word of mouth for the program.

¹⁹ In both focus group sessions, a majority of people had pools on their property.

Focus Group Topic	Summary of Participant Comments	Potential Program Implications/Recommendations
	<ul style="list-style-type: none"> - There is some agreement that despite these efforts electricity bills keep increasing, likely due to rate increases. - A large percentage of the group feels they have done everything that they can afford to do. Almost no one feels they have done absolutely everything they can. - Time and money influence decisions about which projects on the “to do” list get done. - In terms of doing more in the future, participants say they could upgrade or replace windows, put in additional insulation, and replace dishwashers and refrigerators. - Money is the main reason for not doing these things, although one participant says his age is a deterrent. - Finding the time to do learn about and make these changes is also cited as a challenge. 	
Motivation to Reduce Energy Use	<ul style="list-style-type: none"> - Motivation comes from the ability to save money, the need to upgrade equipment, health and environmental concerns, and a feeling that taking action is the right thing to do (a moral obligation). - Other participants do it because they have always done it. - One participant looks for a payback, usually within 3 years. 	<ul style="list-style-type: none"> - While saving money is the key motivator, there are other motivational factors which should be advertised such as environmental and health motivators. - Messages intended to motivate customers can vary, but probably should be tested to see which resonate with the majority before any full-scale fielding. - The 30% goal is a motivator for the community in and of itself. It shows that the City government is committed to the social good of its constituents and can inspire people to commit to doing their part.
Knowledge of Monetary Incentives	<ul style="list-style-type: none"> - Participants are aware of Energy Star, SCE rebate programs, gas rebates, and to some extent Palm Desert’s program. - Awareness of rebate programs for appliances such as dishwashers, refrigerators and furnaces is relatively high. - One participant mentioned Set To Save by name and described how the application allows you to choose from a number of energy efficient options. - Many participants were aware of the loan program but are waiting to see if it really works for people. 	<ul style="list-style-type: none"> - Participants appear to be fairly knowledgeable that incentives are available, but the timing of information is key. Participants want, or feel they need, the information only when they are in the market for a new appliance, i.e. when an appliance needs replacement. - The Set To Save website is a great source of information when people are in the market and an energy hotline might be another. Increased promotion of the Set To Save website is important as many of the participants indicated that they were not aware of the Set To Save website. - The loan program may need a customer testimonials - champions that can testify to its value and ease of use.

Focus Group Topic	Summary of Participant Comments	Potential Program Implications/Recommendations
Perception of Rebate Programs	<ul style="list-style-type: none"> - A couple of people installed eligible appliances, but did not apply for the rebate because of the time involved and the relatively small payback. - In some cases, individuals purchase appliances that do not qualify for program rebates. - The coupon helps those who plan to make a purchase anyway. - Almost all participants agreed that an instant rebate is easier and more convenient than incentives where you have to mail documents away for reimbursement. 	<ul style="list-style-type: none"> - If a program is perceived as time consuming and tedious, it is difficult to encourage greater levels of participation. - To the extent possible, the process for completing rebate paperwork should be simplified and the program should attempt to improve processing times. - If customers purchase energy efficient measures but do not submit rebates then the Program is undercounting savings realized in the City.
Awareness of Set To Save	<ul style="list-style-type: none"> - More than half of the participants had heard the brand name Set To Save but more knew about rebates, loans, turning down their AC settings, and energy audits. - Participants viewed the loan option favorably, although one participant discussed it with an accountant and was discouraged from pursuing the program. - Some participants heard about Set To Save through the Bright Side newsletter, in the local newspaper, television ads and the website. - No one mentioned hearing about the program by word of mouth. Estimates of friend and family knowledge of the program varied widely from 0% to 20% to 60%. 	<ul style="list-style-type: none"> - There is surprisingly little “buzz” about the program. A Partnership should have a large word of mouth component that gets customers involved and excited about the program. - Ideas for how to generate “buzz” could include contests, give-aways, national news attention, pledges, bumper stickers, yard signs, “tell a friend” incentives, etc.

Focus Group Topic	Summary of Participant Comments	Potential Program Implications/Recommendations
Awareness of Palm Desert's Energy Reduction Goals	<ul style="list-style-type: none"> - A few people (~5) knew about the City's energy savings goal, but only one guessed the correct reduction level. - Participants expressed confusion over why the City has the goal and how they plan to achieve it. - Participants want to know that the goal is being achieved by the entire community, not just residents. - Participants want to see commercial and construction dedicated to energy savings. - No one is out there policing or making sure people are doing these things. - There needs to be a focus on segments other than the residential sector. For example, schools are huge energy wasters. The program should target businesses and schools. 	<ul style="list-style-type: none"> - People seem to know that the City is promoting energy efficiency, but they do not necessarily have a good understanding of how or why the City is doing it. - Promotion of the 30% Goal, mention of this as one of the most aggressive goals in the Nation and Palm Desert as a leader in Energy Efficiency could help increase participation and generate the buzz necessary to encourage a groundswell of support. - Increased promotion of energy efficiency efforts taken by commercial and construction markets may help the community to understand that everyone is pitching in.

Focus Group Topic	Summary of Participant Comments	Potential Program Implications/Recommendations
Promotion of Set To Save	<ul style="list-style-type: none"> - The newspaper is the best way to communicate with people. - Television ads and/or bill inserts need something that grabs the consumer's attention. - The program should run an ad on local television. - The program message needs to focus on saving money. - The Palm Desert schedule of recreational events could serve as a mechanism to convey this information. - The City needs to show the big picture and explain why it is doing this. - People need greater education about the program. - Program representatives should get out in the community and talk to people. Future homeowners, in particular, can be reached through high schools or colleges. - Community association meetings have a lot of potential. Giveaways, particularly light bulbs, would be great. - Rotary clubs, chamber of commerce meetings, street fairs and golf tournaments are good places to reach people. - It would be great if you could opt into receiving email about the program. A video could also be created highlighting the program and distributed to residents.²⁰ 	<ul style="list-style-type: none"> - There is a wide range of preferences around how to communicate information about the program. In general, people are most receptive to hearing about the program at events and locations they frequently visit, as well as during part of their typical routine. - The Partnership should utilize community events and publications.
Reasons for not Pursuing Energy Saving Opportunities	<ul style="list-style-type: none"> - Money is the main reason why people do not install more energy efficient appliances or make other changes. - One participant does not feel that he knows enough about the tradeoff between the costs and benefits. Where can one find actual energy savings information for various measures or equipment? - The Utilities are not making a good faith effort to work with the community; the cost of electricity is too high and the companies still have very high profits. - The amount of the incentives offered is not high enough. 	<ul style="list-style-type: none"> - If customers feel the incentives offered are not high enough to justify the expense then the incentive programs alone will likely not produce the desired energy savings.
New Strategies to Motivate Energy Efficiency Upgrades	<ul style="list-style-type: none"> - Participants have a positive view of the financing aspect of Set To Save, but think it needs to be more actively promoted. - Instant rebates would go a long way towards encouraging greater participation. - Contractors should know about the program and educate their 	<ul style="list-style-type: none"> - In general, there seems to be a feeling that residential customers are bearing the brunt of responsibility for participation and awareness. - Increase awareness of incentive programs for renters may be necessary.

²⁰ Over half of the second group stated that they would view a DVD sent to them on the program.

Focus Group Topic	Summary of Participant Comments	Potential Program Implications/Recommendations
	<p>customers about the options available.</p> <ul style="list-style-type: none"> - The City could start with builders and try to encourage them to build homes with energy efficient features (ex. solar panels). - Energy audits aren't necessarily a good way to motivate residents because they feel they don't have the money to make the recommended changes. - Open rebates to all residential customers including those in condos and apartments. - Target country clubs and specifically property managers with energy efficiency messages. - The payback amount and time period is a motivating factor. - Testimonials or symbols of participation, such as stickers or yard signs are a good way to encourage others to participate and create word of mouth. - Give people something tangible in return for participating. - Place a moratorium on new construction and then target one neighborhood at a time. - Unless you believe in the program, the gimmicks won't work. - Make the process easy – one call and it gets done. - Publications and literature on the program needs to provide information about the next step and contact information. - It would be helpful to have one page in the newspaper with information about who to contact regarding the program. The program should prevent people from having to look around for information. - Edison is the one benefiting from this program they should be the ones talking about it. - There is support for hearing from the City of Palm Desert about energy efficiency, the goal and progress. 	
Effect of the Economy on Energy Efficiency	<ul style="list-style-type: none"> - It's a bad time for the program because people aren't thinking about energy efficiency. - People want to save money so they will not do larger projects that are more expensive and have a longer payback period. - Since people are looking for ways to save money there may be an opportunity for the program. 	<ul style="list-style-type: none"> - The current economic environment provides an opportunity for the PDP to promote the Set To Save program as a way to help homeowners lower their expenses. A larger percentage of the population may be receptive to this message than in the past.

Focus Group Topic	Summary of Participant Comments	Potential Program Implications/Recommendations
Perceptions of SCE/SoCalGas	<ul style="list-style-type: none"> - SCE has good customer service, fast response times and professional staff. However, perceptions of the company are more negative now than in the past because of the rising cost of electricity and the corresponding larger bills. - SCE pursues energy efficiency because it cannot produce more electricity and must find a way to lower demand. - The Partnership between the City and the Utilities is positive. - The Utilities have a financial incentive to promote energy efficiency. - The rates charged by SCE are too high and always increasing, but the company seems to be getting more involved by trying to provide rebates etc. - SCE is a reliable source of information on energy efficiency. - SoCalGas is doing an excellent job. - People care less about SoCalGas because bills are lower. - The City is seen as credible, although participants wonder what the program is costing the taxpayers. 	<ul style="list-style-type: none"> - There are many misconceptions of SCE. Marketing communications showing how energy efficiency helps the Utility and Palm Desert could help improve SCE perceptions and favorability.
Preferences for Receiving Program Information	<ul style="list-style-type: none"> - The program should be covered on the morning news. - The City should send a card in the mail that provides information about how to subscribe to email about the program. - The internet and email are the only ways to reach me. - There is interest in visiting the website, although not many people have done so to date. 	<ul style="list-style-type: none"> - The program should increase its efforts to disseminate information through multiple channels, particularly through alternative channels such as internet, email and viral marketing approaches.

Focus Group Topic	Summary of Participant Comments	Potential Program Implications/Recommendations
Additional Comments on Reducing Energy Use	<ul style="list-style-type: none"> - What happens after the goal is met? What's the incentive to reach the goal if once it's achieved the community just stops? - The City should publicize energy efficiency efforts on buildings. For example, a sign might read: All the businesses on this block have done X. This approach gives sense of civic pride. - I want to see that the City has done their share as well. - A billboard with a thermometer to show progress towards the goal is a good idea. - How does the goal account for the City's growth? - Those involved with the program should look into its funding because it is usually gone too quickly. - It would be nice to have some regulation or monitoring of the price of solar panels. - We need education about the quality of products and the best companies to provide them. It would be great to have a list of recommended contractors or a price range for equipment or services that the City thinks is acceptable. - The City could provide specs for equipment that is being recommended as part of the program. - There is a population challenge given the growth in the proportion of full time residents. - I want to hear more about how the Utilities are going to produce more electricity. 	<ul style="list-style-type: none"> - The program should consider additional marketing efforts geared towards creating "buzz" in the community. Marketing tactics that instigate people to converse with their peers about the program should be implemented. - These customers seem eager to be involved in energy efficiency and helping their community achieve this great goal. The Partnership should make every effort to involve and inform the community of the goal (why it is being done), the progress towards the goal, and of the final outcome. - Information such as contractor names and equipment specs is valuable.

Appendix B. DETAILED FINDINGS FROM COMMERCIAL INTERVIEWS

Table 6: Findings from the Interviews with Hotels/Motels

Interview Topic	Summary of Participant Comments	Potential Program Implications/ Recommendations
Energy Decision Making Process	<ul style="list-style-type: none"> - All the participating hotels own the buildings in which they are located and all monitor their energy usage, although at varying frequencies. For one hotel it is done monthly and also quarterly while another monitors usage monthly and daily. - One hotel reported monitoring bills “moderately closely” and the others said they pay very close attention at key times during their business process (ex. either quarterly or monthly). - Energy saving actions vary by facility. One hotel took steps to close parts of the building during summer to avoid AC costs and emphasizes turning things off when not in use as opposed to installing new equipment. Another installed a new chiller within the past year and shut down a cogeneration facility that was in use. At the third, a number of steps were taken: CFL installation, motion detectors and timers, and occupancy sensors²¹. - Often the motivation to make changes is cost savings. - In two cases, the corporate office is not involved in decision making around energy. Although at one, the owner of the building would decide about any installations or upgrades and at the other the owner and manager are both involved in the process. 	<ul style="list-style-type: none"> - In some situations, buy-in from a hotel’s corporate office may be necessary for participation in these programs. The Partnership may want to consider ways in which it could present information about the program that are easily communicable to senior decision-makers.
Electric and Gas Usage	<ul style="list-style-type: none"> - Only one of the hotels has a full service restaurant, although it is open only for breakfast. Two others offer breakfast, but do not have a restaurant. - All facilities use both gas and electric, and gas bills are anywhere between one half and one third of the electric bill, although the levels change depending on the season. - Two hotels believe individual AC units are the greatest user of electricity. At another, the chiller, which cools the entire building, is 	<ul style="list-style-type: none"> - Given the extensive reliance among hotels and motels on in-room air conditioning units, it is essential that program offerings exist to meet this need. The Partnership should evaluate whether this need is being met through the current program and if necessary what adjustments can be made to increase the availability and affordability of energy efficient units through the commercial program.

²¹ This firm acknowledged in the interview that occupancy sensors were installed as part of the Set To Save program.

Interview Topic	Summary of Participant Comments	Potential Program Implications/ Recommendations
	<p>thought to be the largest energy user in the summer followed by lighting.</p> <ul style="list-style-type: none"> - Gas fired water heaters are used at two facilities and the third has two large boilers (two 1 million btu units) for water heating. 	
Awareness of Set To Save	<ul style="list-style-type: none"> - None of the respondents were aware of the program, although one thought the name sounded familiar. 	<ul style="list-style-type: none"> - Program messaging and information is either not reaching the hotel and motel segment in Palm Desert or it is not resonating with the intended targets. - One potential strategy is to focus efforts on local business organizations such as the Chamber of Commerce or the hospitality industry associations active in the area.
Awareness of the City Goal	<ul style="list-style-type: none"> - While one interviewee hears about the City's energy reduction goal on the news regularly, the other two were not aware of it. 	<ul style="list-style-type: none"> - Few hotels/motels know that the City is promoting energy efficiency. - Promoting Palm Desert as a leader in this area could help encourage participation if seen by hotels as a potential selling point for visitors.
Awareness of AB-811	<ul style="list-style-type: none"> - None of the respondents were aware of the legislation and related program. 	<ul style="list-style-type: none"> - The mechanics of the loan program may make it less relevant to local hotel staff, who are likely less involved in tax related issues.
Marketing Strategy	<ul style="list-style-type: none"> - One interviewee expressed a preference for mail. The other two prefer email since bills and other direct mail are usually opened by others at the company. - One hotel was interested in an audit if it was free and didn't conflict with a busy time of business. Another was potentially interested, but said it depended on the depth of the recommendations. They don't want to spend all that time if they're not going to get much out of it. 	<ul style="list-style-type: none"> - The comments from interviewees illustrate the challenge associated with having multiple people involved in energy issues, particularly when those that pay the bill are different from those that make decisions about facility improvements. - Program information needs to reach both local managers and facilities personnel, and potentially corporate officers involved in making the projects happen.

Interview Topic	Summary of Participant Comments	Potential Program Implications/ Recommendations
Participation Barriers & Motivators	<ul style="list-style-type: none"> - All of the interviewed hotels believe lack of awareness is the biggest barrier to participation. - For some hotels there are limits on what they can implement given that guests are responsible for much of the usage, especially from AC. - When asked about motivators for participation, some said they would be motivated by receiving more information about the program options (but not trainings), as well as rebates/incentives. - "I think if they held a forum and invited local operators to the forum to learn about the programs that would be beneficial to us. That way we'd see what opportunities we have to participate in their program." - The economy has a profound impact on what businesses are willing to do in terms of energy efficiency: <ul style="list-style-type: none"> • "I mean now is not the time, although we wish it could be, now is probably not the time we're looking to necessarily invest in energy efficiency unless it's just a complete no-brainer or there's very little cost out of pocket." • "You know, I think financing some of the initiatives is probably one of the largest problems for hotels, especially in the economy right now with capital budgets being decreased and non-emergency stuff being kind of cut out." - The payback period for energy efficiency investments was a concern for one respondent who was interested in anything with a return on investment within two years. - One hotel was interested in rebates for lighting, individual room AC units, and maintenance services that will increase efficiency such as cleaning AC units. There is also interest in city audits of the facility and a trade show where vendors of various products could educate businesses. 	<ul style="list-style-type: none"> - In-units AC and heating controls present a significant problem in terms of split incentives. Occupants, who do not bear the cost of electricity usage, have no incentive to practice conservation making it difficult for the hotel management to achieve savings from key measures. - The economic downturn is having a significant impact on the willingness and ability of hotels and motels to make energy efficient upgrades. If feasible, the Utilities may want to consider modifications to incentive levels, the addition of other monetary incentives or a change in the required payback period to encourage participation. - Marketing messages should also emphasize the cost savings and economic benefit of participating in the program.

Interview Topic	Summary of Participant Comments	Potential Program Implications/ Recommendations
Edison Perception	<ul style="list-style-type: none"> - Perceptions of SCE are mixed and have generally changed somewhat over time. <ul style="list-style-type: none"> • “I definitely know they’re more expensive.” • “I’d say that they’re definitely a proactive company.” • “They’re a company that wants to invest in the environmental future of our community.” - Two of three hotels didn’t know Edison was working with Palm Desert before interview, but for all interviewees, knowing about the Partnership had a positive impact on perception. - Two of three hotels thought Edison was motivated by business interests in its commitment to energy efficiency. 	<ul style="list-style-type: none"> - Although perception is changing in a positive direction, the findings suggest that responsibility for marketing the Set To Save program should remain with the City of Palm Desert.

Table 7: Findings from the Interviews with Restaurants

Interview Topic	Summary of Participant Comments	Potential Program Implications/ Recommendations
Energy Decision Making Process	<ul style="list-style-type: none"> - Some restaurateurs own their business space while others lease it. - One of three interviewees closely monitors the restaurant’s electricity bill and utilizes the year to year comparison. - In rental situations, as long as the occupant doesn’t add any new equipment to the facility, they can do what they would like in terms of upgrading equipment. - Restaurant owners do not have a formalized process to make decisions about energy efficiency upgrades. - Efforts were made at one facility to update the water heater and faucet in order to save money and make the restaurant look more modern. 	<ul style="list-style-type: none"> - Depending on the equipment considered standard at restaurants, the Partnership may need to conduct outreach to landlords, who may not have an incentive to initiate energy efficiency improvements. The Utilities should also ensure that a simple to follow process is in place to aid potential participants in gaining landlord approval if necessary.
Electric and gas usage	<ul style="list-style-type: none"> - Electric and gas usage is mixed among restaurants. - One facility uses electricity only while a second one uses both. - Two facilities have electric hot water heaters and one has a gas version. Two of the restaurants used “a lot” of hot water. - Air conditioning and lighting are considered the greatest users of electricity. At one facility, the cooking process uses the most gas. 	<ul style="list-style-type: none"> - Both electric and gas program offerings may be attractive to the food service sector.

Interview Topic	Summary of Participant Comments	Potential Program Implications/ Recommendations
General Awareness of Efforts and Incentives	<ul style="list-style-type: none"> - "I didn't know about any incentives." - "I can't say that I am aware of any incentives for business purposes. I know there are things for private homes." 	<ul style="list-style-type: none"> - Although it is not clear the actual extent to which the population of commercial entities in Palm Desert associates energy efficiency programming with residential spaces, the marketing strategy for commercial customers should be reviewed.
Awareness of Set To Save	<ul style="list-style-type: none"> - One of three interviewees had heard about the program and the Set To Save brand through television and the newspaper. 	<ul style="list-style-type: none"> - This and the following awareness findings suggest that the strategies in place to reach the commercial audience are not having their intended effect.
Awareness of the City Goal	<ul style="list-style-type: none"> - Two interviewees were aware of the goal, but did not know the actual target. 	<ul style="list-style-type: none"> - There does seem to be some "buzz" around the City's commitment to energy efficiency and reducing demand. The Partnership should think about potential ways to leverage knowledge of the City's actions to Set To Save.
Awareness of AB-811	<ul style="list-style-type: none"> - None of the interviewees were aware of the legislation or the resulting program. - When prompted one respondent said "I don't think I knew it was good for business because I thought it was for personal/[residential]." 	<ul style="list-style-type: none"> - The PDP may need to channel publicity for the loan program through different media outlets or in different venues and describe its relevance to commercial businesses.
Marketing Strategy	<ul style="list-style-type: none"> - Communication preferences included mail, email and phone. - One interviewee preferred to receive general energy efficiency messages via newspaper and radio. 	<ul style="list-style-type: none"> - Traditional modes of communication are preferred by customers and consistent with current program communication channels however the PDP may consider ways to develop an email list of commercial decision-makers.

Interview Topic	Summary of Participant Comments	Potential Program Implications/ Recommendations
Participation Barriers & Motivators	<ul style="list-style-type: none"> - According to one interviewee, awareness is the main barrier to participation in the program, and two mentioned that time constraints also play a role. Restaurateurs have little spare time to seek out information. - The cost of replacing equipment is also seen as a barrier to participation. - One interviewee did not participate due to “laziness”. - For one interviewee, the main motivation to make energy efficient changes is to save money. For another, the Utilities “could make it affordable to set it up. Affordable for the front end either by way of rebates or tax incentives or lower bills.” - Receiving an energy audit and recommendations on the steps to take was viewed by another interviewee as motivation to participate. - The interviewee that had made improvements at their restaurant was not interested in an energy audit because they felt they already knew what the businesses needed to do. - Another interviewee was “very interested” in an audit. 	<ul style="list-style-type: none"> - Awareness remains a significant barrier, which demonstrates the need for targeted marketing to the commercial market segment. - As is common among small businesses in general, restaurateurs do not have the time to seek out information. As a result, program information must be readily accessible and require few additional steps to take action.
Edison Perception	<ul style="list-style-type: none"> - In general, interviewees associate SCE with high electricity rates, particularly in relation to IID. “Expensive” was mentioned a number of times in relation to the company. - Knowledge of Edison’s Partnership with the City “gives me hope that...they’re trying to move in the right direction” and for another “it makes me feel good, better.” - One interviewee believes Edison is involved because “it’s just the trend. It’s the way of the world now.” Another commented “to attract people to live here?” 	<ul style="list-style-type: none"> - Edison’s affiliation with the program is a benefit for all parties, but negative perceptions of the company warrant the continued leadership of the City on marketing and communications with residents.

Table 8: Findings from Interviews with Commercial Leased Property Managers

Interview Topic	Summary of Participant Comments	Potential Program Implications/ Recommendations
Business Overview	<ul style="list-style-type: none"> - Interviewees generally manage multiple commercial properties. - There are a wide range of companies conducting businesses within the properties: office space, warehouses, manufacturing, medical office space, and retail. The majority are multi-tenant buildings. 	<ul style="list-style-type: none"> - Leased commercial properties are used for a wide variety of purposes many of which have different energy use profiles and equipment needs.
Energy Decision Making Process	<ul style="list-style-type: none"> - Tenants typically pay for the energy usage in their suite or suites while the management company or owner pays for electricity use in common areas. In some cases, common area costs are passed onto tenants while others it is absorbed by the management company/ownership. - Managers report reviewing their electricity bills fairly closely. Some compare kilowatts of usage over time including over a three year period or year to year. - In general, tenants replace and maintain equipment in their own suites so there is only so much that the management company has control over. - “The economic burden generally is not on the landlord; it’s on the tenant so there’s less motivation for the landlord to implement additional costs, more benefit to the tenant.” - In cases where a tenant wants to do more, they can talk with the management, who typically try to educate them about the programs they have participated in. There does not appear to be a formal process for these requests. - As one manager indicated, it is difficult to assess the long-term benefit of an improvement because tenants are constantly turning over and the space may be used for something else. 	<ul style="list-style-type: none"> - As in other commercial sectors, when business space is leased by the occupant split incentives can result. While the tenant has leeway in terms of making some improvements to the space they occupy, the landlord or owner has control over common spaces and larger scale improvements. As a result, incentive structures and strategies are needed to incentivize landlords to invest in energy efficiency even though they do not pay the energy bill. - One approach under consideration in Arizona involves paying an incentive to building owners even though they are not official Utility customers. Although this approach is in the preliminary stages and its effectiveness is not yet known, it illustrates one way that other jurisdictions are attempting to resolve this problem. - Tenant turnover presents a related problem in terms of investment decision making. Research into small business energy efficiency programs has demonstrated that when tenants are unsure how long they will occupy a space, they may be averse to investing in upgrades to the facility.

Interview Topic	Summary of Participant Comments	Potential Program Implications/ Recommendations
Electric and Gas Usage	<ul style="list-style-type: none"> - Electric heat is common among these facilities, although some managers report a mix of gas and electric heat among the facilities they oversee. One facility does not have any heating. - In general, gas usage is very low in comparison to electricity and some buildings do not have it at all. - Heating comes mainly from electric hot water heaters, although one manager reported a mix of gas and electric hot water heaters at the facilities he manages. Two other interviewees report heating their business space via heat pumps and electric forced air. - Lighting and air conditioning/HVAC are considered the largest users of electricity, although it varies depending on the type of tenants leasing the space. - In an attempt to reduce energy usage, managers have installed new lighting in common areas, upgraded roof insulation and installed window tinting. One interviewee reported doing nothing, but added that “the motivation would be to make a more attractive building to the tenant.” - Decisions to take energy saving actions are based on information available through the media, the payback period and in another case, the City performed an audit that led to installations. 	<ul style="list-style-type: none"> - Given the focus on lighting and air conditioning as major users of electricity, there must be adequate program offerings around these measures. If the emphasis is on end-uses that are not perceived to affect these businesses, there will be little reason for them to participate.
Awareness of Energy Incentives	<ul style="list-style-type: none"> - General awareness of energy incentives is moderate. Three out of five interviewees heard something about incentives, but could not necessarily specify what they had heard about them. - Interestingly, a number of managers received specific information about city incentives for solar. One reported that “a number of people [have] come in about solar panels” and another said “there’s been a lot of talk about solar systems.” - Some managers have a general idea that the city is conducting audits and providing lighting measures. 	<ul style="list-style-type: none"> - The PDP may want to consider adopting a similar outreach strategy to that used by solar providers given that awareness of solar incentives is relatively high.
Awareness of Set To Save	<ul style="list-style-type: none"> - A majority of managers have some idea that the program exists, but do not know it by name. One received a free audit and measure installation, but was still unaware of the Set To Save brand. - “Generally we know that the city’s proactive, but we didn’t know about that program.” - One manager knew about Set To Save and saw it marketed frequently through TV and the newspaper. - Two managers were completely unaware of the program. 	<ul style="list-style-type: none"> - While name recognition is not essential for recruiting program participation, it is important that residents have a sense of what the program does and what the benefits are to businesses. A more targeted marketing strategy aimed at business groups and associations such as the Chamber of Commerce may help raise awareness.

Interview Topic	Summary of Participant Comments	Potential Program Implications/ Recommendations
Awareness of the City Goal	<ul style="list-style-type: none"> - Six out of eight interview participants generally knew about the city's energy reduction goal, although most either don't know what percentage of other businesses is aware, or said they thought knowledge was minimal. - One respondent read a story about the City's goal in the newspaper. 	<ul style="list-style-type: none"> - The Partnership should explore ways to leverage awareness and excitement about the City's own energy reduction goals in educating commercial actors about Set To Save.
Awareness of AB-811	<ul style="list-style-type: none"> - While almost all participants use some triple net leases, only three were aware of the tax financing option provided by AB-811. One of these companies had looked into solar vent opportunities as a result of learning about the program while another thought it was for residential customers only. 	<ul style="list-style-type: none"> - There seems to be a misconception among some commercial actors about the target market for these programs. Commercial customers either don't know about the programs or don't think they're eligible to participate. As mentioned above, this suggests the need for a more targeted marketing campaign and perhaps a reevaluation of the messaging used for these sectors.
Marketing Strategy	<ul style="list-style-type: none"> - Interviewees prefer to receive program information via regular mail, although one challenge identified is addressing it to the correct person. One interview participant preferred email another said that while it could be more direct, they worried about spam filters blocking delivery. - "It really doesn't matter. We're going to pay attention if they can get it to us." 	<ul style="list-style-type: none"> - Based on information in the decision making section, it is clear marketing materials need to go to both the management and the tenant so that they can work together to educate one another about options for these buildings.
Participation Barriers & Motivators	<ul style="list-style-type: none"> - Awareness and knowledge about the program are key barriers to participation. In addition, to not knowing about the program offerings all together, some managers did not think their buildings were eligible to participate and one was under the impression that the program was aimed at residential customers. - Recommendations for encouraging participation included having more rebates available and mailing information about the program to customers. - In terms of solar, presenting materials in common language that isn't overly technical would be helpful. - All of the interviewees said they would make energy efficient improvements if they were free. Energy conservation, benefits to tenants, and the potential marketing were important reasons to take those steps for some respondents. - Motivation to participate would come from a low cost of participation (i.e. if measures were free) and a shorter payback period. 	<ul style="list-style-type: none"> - Commercial customers will make an investment in energy efficient equipment when it will save them money and/or if on the owner's side, it makes the building more attractive to current and future tenants. Understanding the measures of greatest interest to commercial actors is a key component.

Interview Topic	Summary of Participant Comments	Potential Program Implications/ Recommendations
Edison Perception	<ul style="list-style-type: none"> - Two of eight respondents had a favorable perception of the Utility. - A number of interviewees commented on the high rates charged by Edison as opposed to IID. One called the company “greedy” and a couple of respondents feel their perception has gotten worse over time. - One manager commented that “we’ve always had a good relationship with them. They’ve always been good to us. We’ve never had any problems.” - Respondents were not aware of Edison’s involvement in the PDP, but some were not surprised given its role in providing electricity to the city. 	<ul style="list-style-type: none"> - Even though some companies have a favorable perception of Edison, it makes sense to continue coordinating and launching Partnership outreach efforts from the City, which has an excellent reputation among residents.

Appendix C. DATA COLLECTION INSTRUMENTS

Food Service and Hotel Sector Depth Interview Guide

Energy Decision Making Process

[IF SPEAKING WITH PALM DESERT LOCATION DECISION MAKER]

1. [IF HOTEL] Do you have a restaurant in the hotel?
2. Do you own or rent the building space in which your business operates?
 - a. Own
 - b. Rent (If rent, ask them for the company that they lease the building from _____)
3. Do you review the energy costs that your company accrues each month? If yes:
 - a. How closely do you review your company's electric costs each month?
 - b. How closely do you review your gas costs each month?
 - c. [PROBE: Do you monitor exactly how much energy you use each month or do you simply look at the cost and pay the bill?]
4. What end use/equipment do you think uses the most electricity at your business?
How about gas?
5. Do you have a gas or electric water heater? How much hot water do you need at your business? [Probe for: do you think you need a little, average amount or a lot?]
6. How do you heat your business? [probe for gas or electric? Space heating boiler or furnace?]
7. Has your business made any changes to reduce energy use in the past two years? If so, what you have done? What motivated you to make these changes?
8. How does your business decide whether or not to make energy efficiency upgrades to your facilities?
 - a. Who makes these decisions?
 - b. When are these decisions typically made?
 - c. Is there any type of formalized process you go through?
 - d. Do you need to have authorization to make these changes?

[IF SPEAKING WITH CORPORATE DECISION MAKER FOR PALM DESERT]

9. [IF HOTEL] Do you have a restaurant in the Palm Desert hotel?
10. Do you own or rent the building space in which your business operates in Palm Desert?
 - a. Own
 - b. Rent (If rent, ask them for the company that they lease the building from _____)
11. Do you review the energy costs that your company accrues each month in Palm Desert? If yes:
 - a. How closely do you review the electric costs each month?
 - b. How closely do you review your gas costs each month?
 - c. [PROBE: Do you monitor exactly how much energy you use each month or do you simply look at the cost and pay the bill?]
12. What end use/equipment do you think uses the most electricity at the Palm Desert location? How about gas?
13. Do you have a gas or electric water heater at the Palm Desert location? How much hot water do you need at this location? [Probe for: do you think you need a little, average amount or a lot?]
14. How do you heat your business in Palm Desert? [probe for gas or electric? Space heating boiler or furnace?]
15. Has your company made any changes to reduce energy use in the past two years at the Palm Desert location? If so, what you have done? What motivated you to make these changes?
16. How do you typically decide whether or not to make energy efficiency upgrades to your various locations?
 - a. Who makes these decisions?
 - b. When are the decisions typically made?
 - c. Is there any type of formalized process you go through?
 - d. Do you need to have authorization to make these changes?

Awareness of Set To Save, Incentives, City Goal and AB-811

17. Lately, have you been hearing anything about saving energy at your business in Palm Desert? What have you heard? [Probe for: ways you can save money by saving energy, help the environment, be part of a community effort to save energy]? Where have you heard these things?
18. What monetary incentives are you aware of to help you purchase energy efficient appliances or measures for your business? [PROBE IF NECESSARY: these incentives might be offered by Utilities, the City or other 3rd parties]
 - a. What rebates or loan options are out there?
 - b. What equipment or measures do you think you can get rebates for?
 - c. Who is offering the incentives? What measures do they cover? What help can you receive?
 - d. To your knowledge, have you ever purchased a rebate qualifying energy efficient product for your business but not filled out the rebate application for money back? If yes, when, why not?
19. The City of Palm Desert and the energy Utilities, under the Palm Desert Partnership, have been trying to educate commercial customers about reducing energy use in your businesses. Are you aware that Palm Desert, under the brand “Set To Save” is promoting special rebates and incentives?
 - a. If yes: For those who have heard of Set To Save...Is “Set To Save” a message that you hear frequently or infrequently?
20. For those that are familiar with Set To Save, how did you hear about it?
 - a. Probe for:
 - i. Ad (BrightSide, newspapers, TV, Radio)
 - ii. Direct mailing
 - iii. Internet
 - iv. Event
 - v. Contractor
 - vi. Neighbor/Friend/Relative
 - vii. Chamber of Commerce
21. Are you aware that Palm Desert has a city-wide goal to reduce energy? Do you know how much the City has committed to reducing by 2011?
22. In your opinion, (just your best guess), what percentage of other businesses do you think are aware of the City’s efforts to reduce energy in Palm Desert?

23. Are you aware of the City's loan program (sometimes called AB-811)? [PROBE: This is a loan program offered by the City. It allows you to finance energy efficient equipment through your property taxes.

- a. [IF YES] What are your opinions of the loan program? Who do you think is eligible for the program (probe for residential only or commercial as well)

Marketing Strategy

24. If you were to receive information on energy efficiency programs in the future, how would you prefer to receive it? Probe Mail, e-mail, web site, mass media, on Utility bills, City newsletter etc.

Participation Barriers and Motivators

25. What are the specific reasons why you have not participated in any of the City's efforts to work with you to reduce energy consumption at your business in Palm Desert?

- a. Probe for:
 - i. Was not Aware of rebates or other information
 - ii. Too expensive
 - iii. Not in the market for new products
 - iv. Already have energy efficiency products
 - v. Didn't know enough about how to participate
 - vi. Couldn't figure out how to apply for the rebate
 - vii. The incentive is not enough
 - viii. I don't think my business would qualify
 - ix. Need a better understanding of the return on my investment

26. What can the City or the Utilities do to motivate you to upgrade to all energy efficient equipment at your business?

- a. That is, what types of support could the city provide to you to help you reduce your energy use?
- b. What type of education or formal trainings would be useful to you?
- c. Where would you prefer to hear about ways to save energy?
- d. What types of measures or equipment would you like to receive incentives for?
- e. How interested are you in an energy audit of your business?

Edison Perception

27. How would you describe your perception of Southern Cal Edison?

28. Has your perception of Edison changed over the past few years?

29. Why do you think Edison would be committed to energy efficiency?

30. [If it hasn't come up] Before this interview, did you know that Edison and So Cal Gas are Partners with the City of Palm Desert on the Set To Save program?

a. If no: Does knowing about this Partnership alter your perception of either of the Utilities? Of the City? Of the Set To Save Program?

Closing

Is there anything we have not discussed that you think has an impact on your ability to reduce energy usage in your business?

Thank you very much for participating in depth interview.

[VERIFY NAME, TITLE AND ADDRESS FOR INCENTIVE CHECK, ALSO GIVE THEM THE OPTION OF THE CHARITY DONATION]

Commercial Leased Facility Depth Interview Guide

Business Overview

1. How many commercial properties do you manage in Palm Desert?
2. What type of companies conduct business in your properties? [PROBE: Retail space, restaurants, office space, etc]

Energy Decision Making Process

3. Who pays the monthly energy costs on the properties you manage?
 - a. [IF LANDLORD PAYS] How closely do you review your properties' electric costs each month?
 - b. How closely do you review your gas costs each month?
 - c. [PROBE: Do you monitor exactly how much energy you use each month or do you simply look at the cost and pay the bill?]
4. What end use/equipment do you think uses the most electricity at your properties? How about gas?
5. Do you have a gas or electric water heater at your properties? How much hot water do you need at your properties? [Probe for: do you think you need a little, average amount or a lot?]
6. How do you heat your properties? [probe for gas or electric? Space heating boiler or furnace?]
7. Have you made any changes to reduce energy use at your properties in the past two years? If so, what you have done? What motivated you to make these changes?
8. How do you decide whether or not to make energy efficiency upgrades to your facilities?
 - a. Who makes these decisions?
 - b. When are these decisions typically made?
 - c. Do tenants typically initiate the request for changes?
 - d. Is there any type of formalized process you go through? Are tenants part of the process?
 - e. Do you need to have authorization to make these changes?

Awareness of Set To Save, Incentives, City Goal and AB-811

9. Lately, have you been hearing anything about saving energy at your business, or at your properties, in Palm Desert? What have you heard? [Probe for: ways you can save money by saving energy, help the environment, be part of a community effort to save energy]?

10. What monetary incentives are you aware of to help your business purchase energy efficient appliances or measures?
 - a. What rebates or loan options are out there?
 - b. What equipment or measures do you think you can get rebates for?
 - c. Who is offering the incentives? What measures do they cover? What help can you receive?
 - d. To your knowledge, have you ever purchased a rebate qualifying energy efficient product for your business but not filled out the rebate application for money back? If yes, when, why not?

11. The City of Palm Desert and the energy Utilities, under the Palm Desert Partnership, have been trying to educate commercial customers about reducing energy use in your businesses. Are you aware that Palm Desert, under the brand “Set To Save” is promoting special rebates and incentives?
 - a. If yes: For those who have heard of Set To Save...Is “Set To Save” a message that you hear frequently or infrequently?

12. For those that are familiar with Set To Save, or the Partnership, how did you hear about it?
 - b. Probe for:
 - i. Ad (BrightSide, newspapers, TV, Radio)
 - ii. Direct mailing
 - iii. Internet
 - iv. Event
 - v. Colleague
 - vi. Chamber of Commerce

13. Are you aware that Palm Desert has a city-wide goal to reduce energy? Do you know how much the City has committed to reducing by 2011?

14. In your opinion, (just your best guess), what percentage of other businesses you know are aware of the City’s efforts to reduce energy in Palm Desert?

15. Are you aware of the City’s loan program (sometimes called AB-811)? [PROBE: This is a loan program offered by the City. It allows you to finance energy efficient equipment

through property taxes.

- a. [IF YES] What are your opinions of the loan program? Who do you think can participate in this program? (probe for residential only or commercial as well)
- b. Are you aware of what implications this might have on your triple net leases?
[INTERVIEWER NOTE: The AB-811 financing option allows landlords to invest in energy efficiency upgrades through property taxes. In the case of triple net leases, most of the property tax increase is paid by the tenants. Therefore, the landlord does not have to pay any money out of pocket, no increase in payments and might be able to increase the value of their rental property.]

Marketing Strategy

16. If you were to receive information on energy efficiency programs in the future, how would you prefer to receive it? Probe Mail, e-mail, web site, mass media, on Utility bills, City newsletter etc.

Participation Barriers and Motivators

17. [IF AWARE OF CITY'S EFFORTS OR SET TO SAVE] What are the specific reasons why you have not participated in any of the City's efforts to work with you to reduce energy consumption at the properties you manage?
 - a. Probe for:
 - i. Was not Aware of rebates or other information
 - ii. Too expensive
 - iii. Not in the market for new products
 - iv. Already have energy efficiency products
 - v. Didn't know enough about how to participate
 - vi. Couldn't figure out how to apply for the rebate
 - vii. The incentive is not enough
 - viii. I don't think my business would qualify
 - ix. Need a better understanding of the return on my investment
18. What can the City or the Utilities do to motivate you to make energy efficiency upgrades to the properties you manage?
 - a. That is, what types of support could the city provide to help reduce energy use at the properties you manage?
 - b. What type of education or formal trainings would be useful to you?
 - c. Where would you prefer to hear about ways to save energy?
 - d. What types of measures or equipment would you like to receive incentives for?
 - e. How interested are you in an energy audit of your properties?
19. Just as an exploration exercise, let's imagine that you have the opportunity to make some energy efficiency improvements to your properties. If you could make these

improvements without any money out of pocket and no increase in monthly expenses, would you be interested in making these improvements? Why or Why not?

Edison Perception

20. How would you describe your perception of Southern Cal Edison?

21. Has your perception of Edison changed over the past few years?

22. Why do you think Edison would be committed to energy efficiency?

23. [If it hasn't come up] Before this interview, did you know that Edison and So Cal Gas are Partners with the City of Palm Desert on the Set To Save program?

- a. If no: Does knowing about this Partnership alter your perception of either of the Utilities? Of the City? Of the Set To Save Program?

Closing

Is there anything we have not discussed that you think has an impact on your ability to reduce energy usage at your properties?

Thank you very much for participating in depth interview.

[VERIFY NAME, TITLE AND ADDRESS FOR INCENTIVE CHECK, ALSO GIVE THEM THE OPTION OF THE CHARITY DONATION]

Residential Focus Group Guide

I. INTRODUCTION (5-10 minutes)

Thank you all for coming this evening. My name is ____ and I'm with Opinion Dynamics Corporation, an independent research firm that has been hired to conduct this group discussion. We're going to be talking about a range of energy-related issues tonight.

This session is being video-taped so that I will have an accurate record of what is said after the session. Also, some of my colleagues are observing this group to help me with my analysis. However, all of your comments will be held in the strictest confidence, so please feel free to express your views fully.

I'd like to begin by going around the room, and asking each of you to tell us your name, how long you have lived in Palm Desert and whether you live in Palm Desert Year-Round or Seasonally.

Thanks. Now, just a few ground rules. Please turn off your cell phones. Please stick to the topic at hand. Please try not to interrupt your colleagues. If the conversation drifts off a topic, I may jump in to get the discussion back on track. Please don't consider that rudeness on my part, I'm simply trying to cover all the issues in a limited amount of time and want to make sure that everyone has a chance to contribute to the discussion...

II. Home Energy Use (15 minutes)

31. How closely do you review your electric bill each month? How closely do you review your gas bill each month? [PROBE: Do you monitor exactly how much energy you use each month or do you simply look at the cost and pay the bill?]

32. What do you think uses the most electricity at your home? How about gas?

33. Has your household made any changes to reduce your energy use in the past two years? If so, what you have done? What motivated you to make these changes?

34. Do any of you feel that you have already done all you can to reduce energy use in your home? If no, what steps can you still take reduce energy in your home? [PROBE IF NECESSARY: NEW APPLIANCES, BUILDING ENVELOPE MEASURES, BEHAVIORS,

POOL HEATING/PUMPS]

III. Palm Desert Partnership/Set To Save Awareness (45 minutes)

35. Have you been hearing about potential ways to save energy [Probe for: ways you can save money by saving energy, help the environment, be part of a community effort to save energy]? What have you heard? Where have you heard these things?
[PROBE WITH SOURCES BELOW IF NECESSARY]

- a. Brightside Newsletter
- b. Television
- c. Newspaper
- d. Community Events
- e. Market Influencers: community leaders, home owners associations, property managers, home improvement stores, contractors, architects, engineers...
- f. Mail
- g. From whom? SCE? Palm Desert? Other?

36. What monetary incentives are you aware of to help you purchase energy efficient appliances or measures for your home?

- a. What rebates or loan options are out there?
- b. What appliances or measures do you think you can get rebates for?
- c. Who is offering the incentives? What measures do they cover? What help can you receive?
- d. To your knowledge, have you ever purchased a rebate qualifying energy efficient product but not filled out the rebate application for money back? If yes, why not?

37. The City of Palm Desert and your energy Utilities, under the Palm Desert Partnership, have been trying to educate residential customers about reducing energy use in your homes. Are you aware that Palm Desert, under the brand "Set To Save" is promoting special rebates on energy efficient electric and gas products such as air conditioners, refrigerators, and dishwashers?

38. Are you aware that Palm Desert has a city-wide goal to reduce energy? Do you know how much the City has committed to reducing by 2011?

39. For those who have heard of Set To Save...Is "Set To Save" a message that you hear frequently or infrequently?

40. For those that are familiar with Set To Save, how did you hear about it?

- c. Probe for:
 - i. Ad (BrightSide, newspapers, TV, Radio)
 - ii. Direct mailing
 - iii. Event
 - iv. Contractor
 - v. Neighbor/Friend/Relative

41. For those that have seen the television advertising, do you think the ads are impactful? Do you think they are good way to get people to save energy?

42. In your opinion, (just your best guess), what percentage of your friends and family are aware of the City's efforts to reduce energy in Palm Desert?

43. For those who were aware of additional energy saving opportunities that they can pursue in their home - what are the specific reasons why you have not pursued these opportunities?

- a. Probe for:
 - i. Was not Aware of rebates or other information
 - ii. Not in the market for new products
 - iii. Already have energy efficiency products
 - iv. Didn't know enough about how to participate
 - v. Couldn't figure out how to apply for the rebate
 - vi. The incentive is not enough
 - vii. I don't think my home would qualify
 - viii. Need a better understanding of the return on my investment

44. [INTENDED TO BE BRAINSTORM OF IDEAS FOR SET TO SAVE] What can Set To Save do to motivate you to upgrade to all energy efficient equipment at your home?

- a. That is, what types of support could the city provide to you to help you reduce your energy use?
- b. [PROBE for education, marketing, incentives, training, contractor help, audits, proof of return on investment. Also probe for differences between electric and gas.]

BREAK

IV. Edison Perception (10 minutes)

45. How would you describe your perception of Southern Cal Edison?

46. Has your perception of Edison changed over the past few years?

47. Why do you think Edison would be committed to energy efficiency?

48. <If it hasn't come up >Did you know that Edison and So Cal Gas are Partners with the City of Palm Desert on the Set To Save program? <If they didn't know> does this alter your perception of either of the Utilities? Of the City? Of the Set To Save Program?

V. Program Outreach and Communication (5 minutes)

49. If you were to receive information on energy efficiency programs in the future, how would you prefer to receive it? Probe Mail, e-mail, web site, mass media, on Utility bills, City newsletter etc.

50. For those that recall receiving information about the Set To Save Program, do you feel you receive too much information from the City about this program, not enough, or just the right amount of information?

51. As time permits, has anyone in the room been to the "Set To Save" website?

- What features, if any, did you use?
- Did the website provide you with the information you were looking for?
- Are there any improvements you would like to see on the website?

VI. Closing (5 minutes)

Is there anything we have not discussed that you think has an impact on your ability to reduce energy usage in your home?

Thank you very much for participating in this focus group. Good Night.

Baseline Survey of Residential Customers

I am calling from Opinion Dynamics Corporation, a market research company, on behalf of the City of Palm Desert, Southern California Edison, and Southern California Gas Company. We are conducting a brief survey to help the City of Palm Desert better understand how they can help community members save energy in their homes... we are not selling anything, just need your input.

I. Introduction & Screening

Screen1. Is Southern California Edison, or SCE, your electric company?

1. Yes
2. No [TERMINATE]
3. (Don't know)

Intro1. Do you use natural gas in your home?

1. Yes
2. No
3. (Don't know)

Intro2. Do you own or rent your home?

1. Own
2. Rent

Screen2. Do you, or does anyone in your household, work for a gas or electric company?

1. Yes [TERMINATE]
2. No

Screen3: Do you, or does anyone in your household, work in advertising, market research or media-related fields?

1. Yes [TERMINATE]
2. No

II. Motivations and Barriers to Energy Efficiency

B1. Please state your level of agreement with the following statements. You can say I

strongly agree, somewhat agree, neither agree nor disagree, somewhat disagree, or strongly disagree: (Repeat scale to respondent as necessary) [rotate A through D, always end on E]

- A. My household's energy bill is more expensive than it should be.
- B. There is still a lot more my household can do to conserve energy.
- C. My household is aware of ways to save energy
- D. Energy efficiency is not an important factor to my household when purchasing a new appliance.
- E. The people in my household are motivated to save energy.

[ASK B2 IF B1E = somewhat agree, strongly agree]

B2. You mentioned in the last question that you, or perhaps others in your home, are motivated to save energy. Could you explain why that is the case? (Multiple Response) (Do not read list)

- 1. (environmental reasons, air quality)
- 2. (environmental reasons, global warming)
- 3. (interested in saving money)
- 4. (for socially acceptability, social circle saves energy)
- 00.(Other, specify)
- 98. (Don't know)

[ASK B3 IF B1E = somewhat disagree, strongly disagree]

B3. You mentioned in the last question that your household is not very motivated to save energy. Could you explain why that is the case? (Multiple Response) (Do not read list)

- 1. (Unsure of what steps to take)
- 2. (Concerned about making home less comfortable)
- 3. (Have trouble remembering to take actions)
- 4. (Doesn't think it is important)
- 5. (Cost of EE action)
- 6. (Don't like the EE options (aesthetics))
- 00.(Other, specify)
- 98. (Don't know)

[ASK B4 IF B1D= somewhat disagree, neutral, somewhat agree, strongly agree]

B4. When purchasing a new appliance, what other factors would be more important than energy efficiency? (Do not read list)

- 1. (Initial Price)
- 2. (Cost of running the appliance)
- 3. (Brand / Reputation)
- 4. (Overall (Performance) Rating (i.e. - consumer reports))

5. (Maintenance)
6. (Ease of Use)
7. (Ease of Cleaning)
8. (Aesthetics (the color or size, how it looks))
00. (Other, specify)
- 98.(Don't know)

IV. General Unaided Program Awareness and Participation

PA1. Are you aware of any programs or efforts in your community aimed at helping you save energy?

1. Yes
2. No
3. (Don't know)

[ASK PA2 IF PA1 = 1]

PA2. What energy saving programs or efforts have you heard about? [Multiple Response, PROBE WITH: "Have you heard of any specific programs or efforts?"] (Do not read list). [record verbatim respondent's answer if she or he cannot recall the exact name of the program and analysts will code]

1. (Set To Save Program)
2. (Palm Desert Energy Partnership)
3. (City of Palm Desert program)
4. (Southern California Edison program)
5. (Southern California Gas program)
6. (Energy Coalition program)
7. (Home Energy Evaluation Survey)
8. (PEAK Education Program)
9. (HVAC/Air Conditioner replacement incentive)
- 10.(Refrigerator replacement incentive)
- 11.(Pool Pump rebate)
- 12.(Curbside recycling)
- 13.(Energy Star)
00. (Other, specify)
98. (Don't know)

[ASK PA3 IF PA1 = 1]

PA3. Where did you hear about these programs or efforts? [MULTIPLE RESPONSE, PROBE WITH: "Have you heard about energy saving programs from any specific sources?"] (Do not

read list)

1. (City of Palm Desert website)
2. (Utility – SCE or SCG – website)
3. (Set To Save website)
4. (Mailing from the city)
5. (Mailing from the Utility – SCE or SCG)
6. (E-mail from the Utility – SCE or SCG)
7. (Television or radio advertisement)
8. (Newspaper article or news story)
9. (Information made available at a community event)
10. (Friend, neighbor or colleague)
11. (HVAC or other contractor)
00. (Other, specify)

98. (Don't know)

[ASK PA4 IF PA1= 1]

PA4. In the last two years, have you participated in any energy-related programs? [Probe with did you receive any rebates, or discounts on your Utility bills?]

1. Yes
2. No
3. Don't know

[ASK PA5 if PA4=1]

PA5: Which program(s) did you participate in?

[open-ended]

V. Baseline Data on Specific Information Sources

IS1. Now I'm going to ask you about several specific ways in which you might have seen or heard information about energy savings opportunities in the last two years. Have you ever [READ AND ROTATE] (1=Yes, 2=No, 3=Don't Know)

A. Visited Southern California Edison's website?

A2. [If A=1] Did you see anything on the website about energy savings opportunities?

B. Visited Southern California Gas's website?

B2. [If B=1] Did you see anything on the website about energy savings opportunities?

C. Visited the City of Palm Desert's website?

C2. [If C=1] Did you see anything on the website about energy savings opportunities?

D. Received information from Southern California Gas through the mail, such as a bill insert or newsletter with information about energy savings opportunities?

E. Received information from Palm Desert through the mail, such as a bill insert or newsletter with information about energy savings opportunities?

F. Received information from Southern California Edison through the mail, such as a bill insert or newsletter with information about energy savings opportunities?

G. Heard about energy efficiency opportunities by television or radio?

IS2. Have you attended a community event, such as a homeowner's association meeting or community rally in the last two years?

1. Yes, (specify event)
2. No
3. (Don't know)

[ASK IS3 IF IS2=1]

IS3: What information about saving energy did you receive at the event(s)?

1. (Open end)
2. (None)
3. (Don't know)

VI. Prevalence and Use of AC, Programmable Thermostats and Baseline on Energy Savings Actions – Air Conditioning

AC1. How do you cool your home?

1. Use a central air conditioning
2. Use a window air conditioning unit(s)
3. Use fans
4. Do not cool home
5. (Other, specify)

[IF AC1= 2, 3, 4, 5 skip to GH1]

[ASK AC2 – AC7 IF AC1=1]

AC2. Do you use a programmable thermostat to control your central AC system?

1. Yes

2. No
3. (Don't know)

AC3. I'm going to run through a list of specific actions related to how you cool your home, please indicate if your household:

1. Has taken this action
2. Intends to take this action within six months, or
3. Is not currently planning to take this action
4. (Don't know)

(READ OPTION FOLLOWED BY: "Would you say that your household has already taken this action, intends to take this action within the next six months or is not currently planning to take this action?")

- A. Replace your existing central air conditioning system?
- B. Purchase and install AC zoning technology?
- C. Perform duct testing or sealing?
- D. Sign an air conditioning maintenance contract?
- E. Clean and inspect your air conditioner filter on a regular basis?
- F. Raise your home's temperature by a few degrees in warmer months?
- G. Raise your home's temperature when you are out of the house?

[ASK AC4 IF AC3A=1 or AC3B=1]

AC4. Was the AC system that you purchased Energy Star or energy efficient?

1. Yes
 2. No
- (Don't know)

[ASK AC5 IF AC4=2]

AC5. Why did you choose the AC system that you purchased?

(OPEN END)

[ASK AC6 IF AC3C = 1]

AC6. Did your household receive a rebate for performing duct testing or sealing?

1. Yes
2. No
3. (Don't know)

[ASK IF AC3D =1]

AC7. Did your household receive a rebate for signing an air conditioning maintenance contract?

1. Yes
2. No
3. (Don't know)

VII. Baseline on Energy Savings Actions – General Household

GH1. I'm going to run through a list of other energy saving actions, please indicate if your household:

1. Has recently taken this action
2. Intends to take this action within six months, or
3. Is not currently planning to take this action
4. (Don't know)

(READ OPTION followed by "Would you say that your household has recently taken this action, intends to take this action within six months, or is not currently planning to take this action?")

- A. Install window film or sun screens on your windows?
- B. Close window coverings to keep sun out during the warmer months of the year?
- C. Install faucet aerators?
- D. Install a low-flow shower head?
- E. Caulk or weather strip drafty doors and windows?
- F. Lower the thermostat setting on your water heater?
- G. Replace incandescent light bulbs with compact fluorescent light bulbs?
- H. Clean and vacuum refrigerator coils twice a year?

[ASK GH1Q – GH1W IF Intro2 = 1]

- I. Install dimmer switches on indoor lighting?
- J. Wrap your water pipes?
- K. Upgrade or install attic insulation?
- L. Upgrade or install wall insulation?
- M. Use or install ceiling fans?
- N. Keep your furnace tuned up with regular maintenance?

[ASK GH2 IF any of GH1A-L = 1]

GH2. Did your household receive a rebate for any of these energy saving actions?

1. Yes
2. No
3. (Don't know)

[ASK GH3 IF GH2 = 1]

GH3. Which actions did you receive a rebate for? [Multiple Response]

1. (Install window film or sun screens)
2. (Install faucet aerators)
3. (Install low-flow shower head)
4. (Wrap your water pipes)
5. (Upgrade or install attic insulation)
6. (Upgrade or install wall insulation)
00. (Other, specify)
98. (Don't know)

VIII. Prevalence and Use of and Baseline on Energy Savings Actions – Pools/Spas

P1. Does your household pay the Utility bill for a pool or spa?

1. Yes
2. No

[ASK P2 IF P1=1]

P2. I'm going to run through a list of energy saving actions related to your POOL or SPA, please indicate if your household:

1. Has recently taken this action
2. Intends to take this action in six months, or
3. Is not currently planning to take this action
1. (Don't know)

(READ OPTION followed by "Would you say that your household has recently taken this

action, intends to take this action in six months, or is not currently planning to take this action?”)

- A. Purchase a pool or spa cover?
- B. Keep you pool or spa covered when not in use?
- C. Install a timer to pre-set pool or spa heating hours?
- D. Reduce pool heater temperature setting?
- E. Upgrade your pool pump to a more energy efficient pool pump?
- F. Filter your pool during off-peak hours (11pm to 6am)?

[ASK P3 IF P2E=1]

P3. Did you receive a rebate for upgrading your pool pump?

1. Yes
2. No
3. (Don't know)

IX. Baseline on Energy Savings Actions – Appliance Purchases

AP1. Has your household recently purchased a major appliance such as a refrigerator, dishwasher, clothes washer and/or dryer, water heater or gas furnace in the past year?

1. Yes
2. No
3. (Don't know)

[ASK AP2 IF AP1=1]

AP2a. What appliances did you purchase? (Multiple Response)

1. (Refrigerator)
2. (Dishwasher)
3. (Clothes washer)
4. (Water heater)
5. (Gas furnace)
6. (Window AC unit)
00. (Other, specify)
98. (Don't know)

[ASK AP2b IF AP2a=2,3]

AP2b. Was the machine that you purchased an Energy Star or energy efficient unit?

1. Yes
2. No
3. (Don't know)

[ASK AP2c IF AP2a=2,3]

AP2c. Did your household use a rebate when you purchased your new energy efficient appliance(s)?

1. Yes
2. No
3. (Don't know)

[ASK AP2d IF AP2b=2]

AP2d. Why did you choose the specific appliance that you purchased?

(OPEN END)

AP3. Does your household intend to purchase a major appliance in the next two years?

1. Yes
2. No
3. (Don't know)

[ASK AP4 – AP5 IF AP3=1]

AP4. What appliances do you intend to purchase?

1. (Refrigerator)
2. (Dishwasher)
3. (Clothes washer)
4. (Water heater)
5. (Gas furnace)
6. (Window AC unit)
00. (Other, specify)
98. (Don't know)

AP5. How likely are you to buy Energy Star or energy efficient appliances?

1. Very unlikely

2. Somewhat unlikely
3. Neither unlikely nor likely
4. Somewhat likely
5. Very likely
6. (Don't know)

[ASK AP6 IF AP5=1, 2, 3, 6]

AP6. Could you explain why you aren't more likely to purchase an Energy Star or energy efficient version?

(OPEN END)

AP7. Have you recycled an appliance, such as a refrigerator or air conditioner in the past year?

1. Yes
2. No
3. (Don't know)

X. Awareness of Set To Save program

[SKIP IF PA2=1]

SS1. Have you heard of the "Set To Save" campaign or program?

1. Yes
2. No
3. (Don't know)

[Ask if SS1=1 OR PA2=1]

SS2. How did you first hear about the Set To Save Program? [Multiple Response]

1. (City of Palm Desert website)
2. (Utility - SCE or SCG - website)
3. (Set To Save website)
4. (Mailing from the city)
5. (Mailing from the Utility - SCE or SCG)
6. (E-mail from the Utility - SCE or SCG)
7. (Television or radio advertisement)
8. (Newspaper article or news story)
9. (Information made available at a community event)
10. (Friend, neighbor or colleague)

- 11. (HVAC or other contractor)
- 00. (Other, specify)
- 98. (Don't know)

[Ask if SS1=1 OR PA2=1]

SS3. Have you visited the Set To Save website, www.settosave.com?

- 1. Yes
- 2. No
- 3. (Don't know)

[ASK IF SS3=1]

SS4. On a scale of 1 to 10 where 1 is very dissatisfied and 10 is very satisfied, how would you rate the following aspects of the Set To Save program?

- A. Quality of information on the website
- B. Ease of navigating the website

XI. Influence of the Set To Save program

[ASK IN1 IF SS1=1 OR PA2=1 and any of AC6 = 1, AC7 = 1, GH2=1, P3=1, AP2c=1]

IN1. You mentioned that you received a rebate for an energy saving purchase or installation in your home. Did you make use of this rebate as a result of the information presented by the Set To Save program?

- 1. Yes
- 2. No
- 3. (Don't know)

[ASK IN2 & IN3 IF SS1=1]

IN2. Do you think that the Set To Save program influenced your decision to change any of your energy use habits?

- 1. Yes
- 2. No
- 3. (Don't know)

IN3. Overall, do you feel better equipped to improve the energy efficiency of your home as a

result of the information presented by the Set To Save program?

1. Yes
2. No
3. (Don't know)

[ASK IN4 IF IN3=2,3]

IN4. Can you tell us how the Set To Save program could be more helpful to you? (Interviewer probe with, "Can you think of resources the program should be providing that would make it easier for you to save energy?")

[open-ended]

XII. Awareness of Palm Desert Partnership Program

PDP1. Are you aware that the City of Palm Desert has set a specific goal to reduce the city's energy usage by 30% over the next five years?

1. Yes
2. No
3. (Don't know)

[ASK PDP2 IF PDP1 =1]

PDP2. How did you first learn of the City's energy savings goals? (Do not read list)

1. (City of Palm Desert website)
2. (Utility – SCE or SCG – website)
3. (Set To Save website)
4. (Mailing from the city)
5. (Mailing from the Utility – SCE or SCG)
6. (E-mail from the Utility – SCE or SCG)
7. (Television or radio advertisement)
8. (Newspaper article or news story)
9. (Information made available at a community event)
10. (Friend, neighbor or colleague)
11. (HVAC or other contractor)
00. (Other, specify)

98. (Don't know)

XIII. Support of Palm Desert Partnership Program

C1. Now that you know that Palm Desert aims to reduce energy usage by 30 percent over the next five years, can you tell us which of the following statements best matches your feelings about the goal.

1. I am very supportive of the goal.
2. I am somewhat supportive of the goal.
3. I don't have an opinion about the goal.
4. I am somewhat unsupportive of the goal
5. I am very unsupportive of the goal
- (6. Don't know)

[ASK C2 IF C1=1,2]

C2. Do you plan to take any actions to help Palm Desert meet the energy savings goal?

[open-ended]

[ASK C3 IF C1=1,2]

C3. What issues or factors contribute to your support of the energy saving goal? [Multiple Response] (Do not read list)

1. (want to help stop global warming)
2. (want to reduce air pollution)
3. (community has a responsibility to reduce energy consumption)
4. (concerned about the high cost of energy)
5. (want to be on the cutting edge of energy saving technology)
6. (neighbors, friends or family support the goal)
7. (saving energy is the "right" thing to do)
00. (Other, specify)
98. (Don't know)

[ASK C4 IF C1=4, 5]

C4. What concerns or factors make you hesitant to support the energy saving goal?
[Multiple Response] (Do not read list)

1. (Too costly)
2. (Too high a goal)
3. (Unsure if the right technology is available)
4. (Unwilling to make lifestyle changes)
5. (Neighbors, friends or family are unwilling to make lifestyle changes)
6. (Not concerned about saving energy)
7. (Don't trust the Utility company, specify Utility)
8. (Don't trust the government of Palm Desert)
00. (Other, specify)

98. (Don't know)

[ASK C5 IF SS1=1 or PDP1=1]

C5. Have you encouraged people in your social network to learn about the Set To Save Program, or Palm Desert's energy saving goal in general?

1. Yes
2. No
3. (Don't know)

XIV. Interaction with Utility

U1. On a scale of 1 to 10 where 1 is very dissatisfied and 10 is very satisfied, how would you rate your level of satisfaction with SCE?

[Ask U2 if U1<8]

U2. Why did you rate it this way?

1. (Don't trust the company)
2. (Rates are too high)
3. (Poor customer service)
00. (Other, specify)

98. (Don't know)

[Ask U3 if Intro1=1]

U3. On a scale of 1 to 10 where 1 is very dissatisfied and 10 is very satisfied, how would you rate your level of satisfaction with your gas company?

[Ask U4 if U3<8]

U4. Why did you rate it this way?

4. (Don't trust the company)
5. (Rates are too high)
6. (Poor customer service)
00. (Other, specify)

98. (Don't know)

XV. Demographics

I just have a few general questions left.

D1. What type of residence do you live in?

1. Single family
2. Duplex or two family
3. Apartment/condo in 2-4 unit building
4. Apartment/condo in 4 or more unit building
5. Townhouse or row house
6. Mobile home
7. (Other, specify)
8. (Don't know/Refused)

D2. Do you live in this home year round?

1. Yes
2. No
3. (Don't know/Refused)

D3. Approximately how old is your home? **(READ CATEGORIES, IF NECESSARY)**

1. 0-4 years old
2. 5-10 years old
3. 11-15 years old
4. 16-20 years old
5. 21-40 years old

6. 41-80 years old
7. 81 or more years old
8. (Don't know/Refused)

D4. What is the primary heating fuel used in your home?

1. (Gas)
2. (Oil)
3. (Electric)
4. (Propane)
5. (Other, specify)
6. (Don't know/Refused)

D5. Counting yourself how many people are in your household?

1. 1
2. 2
3. 3
4. 4
5. 5
6. 6
7. 7 or more
8. (Don't know/Refused)

D6. What is the highest level of education that you have completed so far? **(READ CATEGORIES, IF NECESSARY)**

1. Less than high school graduate
2. High school graduate
3. Technical or trade school graduate
4. Some college
5. College graduate
6. Some graduate school
7. Graduate degree
8. (Don't know/Refused)

D7. Which category best describes your total household income in 2006 before taxes? **(READ CATEGORIES)**

1. Under \$20,000
2. \$20,000 to \$39,999
3. \$40,000 to \$59,999
4. \$60,000 to \$79,999
5. \$80,000 to \$99,999

6. \$100,000 to \$149,999
7. \$150,000 or over
8. (Don't know/Refused)

D8. Do you consider yourself to be an active user of the internet? [Probe with, “do you shop online, or pay your bills online, or monitor your finances online?”]

1. Yes
2. No [SKIP D9]
3. (Don't know)

D9. Do you have Internet access in your home?

2. Yes
3. No
4. (Don't know)

Thank you very much for your time and insights.

Appendix D. REFERENCES

1. “Best Practices Benchmarking for Energy Efficiency Programs - National Energy Efficiency Best Practices Study.” Quantum Consulting, December 2004.
2. “PG&E 2004-05 Local Government Partnership Programs.” ECONorthwest, December 12, 2006.