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Statewide Finance Pilot Marketing, Education, and Outreach Process Evaluation

California Public Utilities Commission

Prepared by Opinion Dynamics

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1. Executive Summary

1.1 Study Overview

This report presents the results of a process evaluation of the new California Statewide Financing Pilots' Marketing Education & Outreach (ME&O) Campaign (the Campaign) that began in June 2017. This evaluation was conducted by Opinion Dynamics (the Evaluation Team) on behalf of the California Public Utilities Commission (CPUC). The Center for Sustainable Energy (CSE) is the statewide implementer of the Campaign.

While Campaign planning began in 2014, the first Financing Pilot, the Residential Energy Efficiency Loan (REEL) Assistance Pilot, began enrolling loans several years later, in July 2016. The process evaluation followed the Campaign's activities from 2014 through to when the REEL Pilot had enrolled 36 loans (as of July 2017). The Campaign's foundational activities were designed to eventually lead to the following longer-term objectives:¹

1. Increased Strategic Partner awareness and understanding of Financing Pilot opportunities available to the relevant market sectors;
2. Increased Strategic Partner communications with target customers (potential borrowers) about Financing Pilot opportunities;
3. Increased target customer awareness of the availability of financing and the key differentiating benefits of the Financing Pilots; and
4. Increased volume of target customers taking initial action to seek financing.

The evaluation was challenged with determining whether the Campaign reached these objectives for three key reasons: (1) the Campaign changed its activities often throughout the evaluation period in response to the initial feedback it received from stakeholders; (2) the REEL pilot changed its product design and requirements several times throughout this time period and it expects more changes to come; and (3) time lag between the Campaign activities and the launch of the REEL pilot. Given these challenges, the evaluation focused on documenting the Campaign activities and initial feedback and impressions of the Campaign's strategy and its initial activities. Given that the Campaign was still in the very early stages of implementation, the Evaluation Team designed this study to document Campaign strategy and implementation, to assess whether the foundation was present to enable the successful promotion of REEL, and to gather lessons learned for future Statewide Financing Pilot ME&O. This evaluation was conducted close to real-time, assessing activities as they rolled out. To achieve this, the Evaluation Team conducted the following research activities:

- Reviewed Campaign tracking data and collateral and conducted ongoing observation of Stakeholder Working Group meetings.

¹ CSE. November 2014. Energy Upgrade California® Statewide Financing Pilots Marketing, Education, & Outreach Plan.

- Conducted interviews with staff at CSE, the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA, the REEL program administrator), the Investor Owned Utilities (IOUs), and Regional Energy Networks (RENs); and
- Completed interviews with the four financial institutions (FIs) that offer REEL loans, surveys with 23 REEL-qualified contractors, and interviews with 19 customers who used one of the Campaign's online tools.

1.2 Overview of Campaign Design and Marketing Strategy

The Campaign employed a market facilitation approach that leverages credible messengers, including CAEATFA, the IOUs, and RENs, and provides support to market actors (e.g., contractors, local governments, FIs) to promote REEL. Taken together, these organizations and actors are referred to broadly as “Strategic Partners” in the Campaign. CAEATFA, the IOUs, and the RENs are a sub-group of Strategic Partners (referred to in this study as the "Key Stakeholders") that regularly coordinate with the Campaign and advise them on marketing activities.

Notably, the Campaign's objectives were to promote the Statewide Financing Pilots as well as other forms of energy efficiency financing available. Therefore, the Campaign efforts went beyond activities to support the Pilots and into educating the customer on all products available. Per this mission, the Campaign marketed two distinct brands-- the California Hub for Energy Efficiency (CHEEF), dedicated to REEL and the future Financing Pilots, and Go Green Financing, dedicated to general energy efficiency financing awareness.

1.3 Summary of Campaign Progress-to-Date

As of July 2017, the Campaign spent approximately \$5 million of its \$5.6 million 2014 - 2017 budget (89% of the budget). In line with the core theory behind market facilitation, the largest portion of spending (45%) focused on recruiting, training, and providing marketing support to Strategic Partners. Following that, about a third of the budget (30%) funded customer-facing websites and direct-to-customer marketing activities either by the Campaign or Strategic Partners. The remaining spending (26%) supported general administration and market research activities.

As of July 2017, the REEL pilot had enrolled approximately 134 contractors, had four financial institutions offering REEL, and had closed 36 loans. The Campaign supported REEL contractor enrollment and training by attending REEL webinars for contractors and alerting contractors to the marketing support available; which included video training and cooperative (co-op) marketing collateral developed by CSE. FIs also collaborated with CSE and developed marketing collateral for customers. In response to Strategic Partner feedback, CSE changed its contractor support activities and began providing one-on-one outreach and a program concierge model. In addition, CSE developed and maintained two websites, one for the Statewide Financing Pilots (theCHEEF.com) and one for Go Green Financing (gogreenfinancing.com). The centerpiece of the Campaign's direct-to-customer efforts was the 2017 Summer Marketing Campaign, which included digital and social media advertising, e-mail blasts, and search engine marketing (SEM) activities.

1.4 Key Conclusions

This evaluation of the Campaign's kick-starting efforts explored how well the Campaign engaged with Strategic Partners, including IOUs, RENs, contractors and FIs, to help market REEL and energy efficiency financing in general. Based on the evaluation results, we conclude that the following efforts were received well:

- The Campaign has developed a strong core theory of market facilitation with a clear path for reaching the customer. The Campaign has also incorporated a good mix of Strategic Partners into its strategy, including credible messengers and market actors who can identify target customers and offer them financing solutions.
- CSE's showed adaptability in response to feedback and policy changes. CSE attempted several activities that did not resonate well with various stakeholders (e.g., video training modules for contractors) and quickly modified efforts in response (e.g., creating a program concierge model for contractors and their rebranding efforts in the wake of the de-coupling of the Campaign from Energy Upgrade California®).
- Early signs from the 2017 Summer Marketing Campaign are promising as it drove increased visitation to Campaign websites and marketing support resources. The Campaign employed digital and social media advertising, e-mail blasts, and search engine marketing activities. The click-thru rates (CTRs) from these efforts met or exceed industry standards and drove increased traffic to both websites and Strategic Partner marketing support.
- FIs report that the Campaign has been generally supportive of their needs and that they have seen an uptick in customer interest in energy efficiency financing, especially after the Summer Marketing Campaign launched.
- The CHEEF website performed well. This website provides information to customers, contractors, and FIs on REEL and other Statewide Financing Pilots. Website visits have steadily increased since Campaign launch; the bounce rate² stayed low and relatively stable for the first year.
- Based on our review of the data available, the Evaluation Team determined that the fundamental data tracking systems are in place to assess Campaign progress towards its goals. The Campaign has several highly-detailed tracking systems in place to support evaluation, including a monthly metrics report with key performance indicators (KPIs) for each campaign activity, a monthly budget tracker, and a day-to-day marketing activity tracker.

Conversely, the following efforts need some attention:

- According to Key Stakeholders, meetings and communications with CSE were not collaborative in nature. This included communication during Stakeholder Meetings as well as responsiveness to feedback on marketing collateral. Our observations align with this assessment. Meeting agendas often were comprised predominately of updates from CSE, including progress-to-date and plans for future

² The "bounce rate" is the percentage of visitors who leave the website after viewing only one page.

activities, and then a small discussion period occurred at the end. During this discussion period, we noted that disagreements on collateral frequently arose, with several stakeholders commenting that their feedback did not appear to be incorporated. However, this discussion period was often not long enough to fully address concerns and debates were tabled for follow-up communications.

- We also asked CSE to provide their perspective on how coordination has gone to date. In general, CSE acknowledged that CSE and the key stakeholders struggled with the dual CPUC mandate of marketing both general energy efficiency financing and the CHEEF pilots. According to CSE, the IOUs were uncomfortable promoting non-ratepayer products that compete with the Statewide Pilots, while local governments and RENS preferred to point constituents toward resources that provided choice and also addressed their local PACE programs, where applicable. These conflicting preferences and lack of clarity on where CSE should prioritize their efforts exacerbated a coordination effort that was already inherently difficult simply due to the larger number of decision makers at the table.
- The Campaign is currently underutilizing the marketing expertise of the IOUs, RENS, and FIs. As structured, the Campaign controls the marketing funds and grants allotments to the IOUs, RENS, and FIs for ad hoc marketing efforts using co-op marketing materials. Many Strategic Partners expressed dissatisfaction with the creative (i.e., "look and feel") and messaging of the co-op marketing materials. Further, many IOUs expressed frustration with this role as they did not have the funding or staff resources to fulfill the expectations of the CPUC, ultimately limiting their marketing efforts to low/no-cost efforts that leverage other marketing campaigns. Some FIs also expressed a desire for a more customized and collaborative approach to developing marketing efforts.
- The Go Green Financing website has not attracted much customer interest, as shown by bounce rates between 62% and 94%. This website was intended as an unbiased resource that promotes general awareness of energy financing options. This indicates that most customers are not exploring the website further after they visit the home page. This website had more visitors overall compared to the CHEEF website, though the bounce rate has been extremely high, and few customers visited pages on financing options. Go Green Financing was a sticking point for the IOUs in that it inherently supported non-ratepayer products, while the RENS found it to be a valuable tool for local governments to serve their constituents.
- Co-op marketing has had little uptake, indicating that Strategic Partners were not very engaged or motivated by the offering. About half of registrants (85 of 161) have placed orders for materials. FIs have also found little value from Co-Op Marketing materials in terms of generating leads. Further, the Campaign does not appear to have taken advantage of the FIs' finance marketing expertise, and some FIs would prefer a more customized and collaborative approach to developing marketing efforts and collateral.
- Contractors were not interested in taking the video training on how to market financing and the REEL product to their customers. Of the 434 unique visitors to the training websites, 12% completed the training courses.

1.5 Lessons Learned for Future Finance ME&O

- **Go Green Financing:** CSE's mandate to promote general energy efficiency financing awareness presents a challenge for collaboration with some Key Stakeholders. The RENs, comprised of local governments, saw value in Go Green Financing as an unbiased resource on financing options. The IOUs, on the other hand, reported that the Campaign's dual goals of marketing REEL and general energy efficiency financing have created roadblocks to coordination. Several IOUs mentioned that there are legal concerns to using ratepayer funds to support Go Green Financing, as it promotes non-ratepayer programs and potential competitors to REEL (e.g., PACE). During our observations of stakeholder meetings, we noted this issue came up frequently during discussion of collateral.
- **Coordination with Key Stakeholders:** The Campaign's market facilitation approach required large-scale coordination and communication with several different Strategic Partners, including CAEATFA, IOUs, RENs, contractors, and FIs. This presents a challenge in and of itself, as each Partner has its own customer base or constituents, interests and marketing budget. In general, the Key Stakeholders were dissatisfied with their experiences coordinating with CSE on the Campaign. A best practice in approaching each stakeholder is to hold collaborative meetings where both parties can bring ideas to the table while minding the unique strengths that each party brings, e.g., knowledge of how to speak to their specific customers/region versus knowledge of how to position and brand energy efficiency financing.
 - Notably, since the conclusion of this study, CSE has implemented several changes to the collaborative process. These changes include, for example, advance notices of planned Campaign changes to enable collaborative discussions on planned changes, providing anticipated deliverable timelines and review schedules across several months to accommodate stakeholder schedules, and "round robin" discussions of stakeholder feedback to identify consensus. CSE also notes that they are increasing their efforts to leverage the marketing expertise of the IOUs, CAEATFA, and FI marketing leads.
- **Supporting Contractors:** Contractors need a person to call and discuss financing options. This turned into the Campaign's program concierge model per contractor request. In response to low contractor interest in REEL marketing support, CSE began providing additional one-on-one outreach and support to contractors through program representatives assigned to each REEL-certified contractor. Notably, there has been a large uptick in new contractor enrollment and closed REEL loans following the new engagement strategy.
- **Video Training:** Video training for contractors is costly and many contractors did not seem interested in receiving training on how to market financing in this manner. Surveyed contractors preferred simpler resources, such as a website, a person to call, and simple handouts. Notably, after CSE reviewed these survey results, the Campaign significantly revised its contractor support strategies in a way that better aligns with surveyed contractors stated needs. Contractors appreciate the REEL marketing collateral that provides simple fact sheets that aid conversation about the program and the participating lenders. The Lender Comparison Chart (see Figure 10) is an excellent example of such a handout. Notably, at the time of this report, the Video Training has been discontinued.

- **Launch Timing:** It is challenging, and potentially costly, to begin a marketing Campaign or recruiting contractors prior to the finalizing product details. This can lead to investment in collateral, websites, training materials, etc. that must be changed and re-worked several times to align with the product.
- **REEL Design:** Contractors' propensity to market REEL may have more to do with the REEL product than the marketing support available. Based on a survey with 23 REEL-certified contractors and a review of contractor websites, contractor promotion of REEL is still lagging significantly behind Property Assessed Clean Energy (PACE) programs. Surveyed contractors generally felt that PACE had simpler application and qualification processes. In addition, the spread of REEL-qualified contractors across FI territories has been uneven to-date, which has contributed to low REEL participation for the regional FIs. It is normal for new products to take time to gain traction in the market. However, the limited promotion of REEL among contractors, even among those who have taken the compliance training, signals the need to adjust the design of the product and/or the marketing support behind it. While this study was not meant to assess the design of REEL, it is clear based on contractor and Key Stakeholder feedback that design changes are necessary to make it competitive with PACE loans, which are the primary competition to REEL. Notably, in late March 2017, the CPUC released D. 17-03-26, which enabled CAEATFA to begin making some key changes to REEL's design. Specifically, CAEATFA has (1) loosened the measure requirements to enable customers to finance single measures, rather than requiring bundling and (2) explored partnering with a new FI that offers retail installment contracts (RICs), which will allow contractors to instantly approve customers.
- **Competition with PACE:** PACE is attractive to contractors for its ease and simplicity. In addition, contractors are highly motivated to promote PACE as it often compensates contractors for generating leads. For instance, Renew Financial had a promotion in June 2015 offering up to a \$250 incentive to contractors for closing PACE loans in June 2015.³ For these reasons, contractors tend to market PACE over REEL. Contractors need help to compare PACE and REEL and emphasize the advantages of REEL over PACE.
- **CHEEF Website:** While most Key Stakeholders were satisfied with the CHEEF website, there are some opportunities for improving the design. The website can seem "disjointed" in that it's framed as a one-stop source for information all Financing Pilots, but focuses on REEL because it's currently the only one available. Having the REEL webpage buried within the CHEEF can be difficult to navigate and may confuse customers. Customers and contractors may appreciate a webpage dedicated to each financing Pilot with a website address that is easy to recall. There is value in a one-stop information hub for all Pilots like the CHEEF, but the target audience for this website should only be Strategic Partners, who may want to know about all the products available.

³ <https://renewfinancial.com/news/two-new-incentives-launched-la-gets-ready-pace>

- **Data Tracking:** There are some opportunities to enhance data tracking in such a way that will assist in evaluating the Campaign's performance.
 - We recommend that the Campaign document quantitative KPI goals whenever possible. While the Campaign tracks many KPIs, it currently does not document goals against which the KPIs may be compared. Further, information on the achievements of Strategic Partner ME&O efforts is limited to outputs (e.g., number of e-mails sent) rather than results (e.g., CTR for e-mails). Notably, not all activities require quantitative KPIs or goals. However, in cases where a quantitative KPI is set (e.g., click-through-rate) a corresponding quantitative goal should be specified in the sheet (e.g., 1% click-through rate).
 - The budget tracker is set up to provide cost-per-reach metrics (e.g., cost-per-click, cost-per-attendee) for individual activities. However, we found that the Campaign only tracked cost-per-reach metrics for a few direct-to-customer activities, but not for websites, contractor outreach, and other types of efforts. Providing this data enhances the ability to assess whether the results of activities justify their investments (i.e., cost-effectiveness) and to identify opportunities for reallocating funds to more successful efforts. Innovative marketing efforts, such as FCS, or efforts that required large investments, such as video training or websites, would especially benefit from additional cost-per-reach analysis. In addition, collaborating with Strategic Partners to agree upon specific metrics they should track and provide after campaigns. Notably, this approach may be most appropriate with the IOUs, RENs, and the FIs, who have marketing departments or designated marketing staff.
 - Collect additional data on the results of Strategic Partner activities. While much of this information can be collected through primary research, collaborating with Strategic Partners to agree upon specific metrics they should track and provide after campaigns may reduce the overall evaluation burden on these organizations. Notably, this approach may be most appropriate with the IOUs, RENs, and the FIs, who have marketing departments or designated marketing staff.

2. Introduction

This report presents the results of a process evaluation of the Statewide Financing Pilots' Marketing Education & Outreach (ME&O), conducted by Opinion Dynamics (the Evaluation Team) on behalf of the California Public Utilities Commission (CPUC). This study focuses specifically on efforts undertaken by the Center for Sustainable Energy (CSE), the statewide implementer of the Financing ME&O Campaign (the Campaign), to promote the Residential Energy Efficiency Loan (REEL) Assistance Pilot, which is the first Statewide Financing Pilot to roll out. CSE's marketing efforts were officially launched in July 2016. This process evaluation's study period includes planning and pre-launch activities and covers the period from June 2014 through July 2017.

2.1 Summary of Financing ME&O

The strategy for the Financing ME&O is guided by Decision 13-09-044⁴, the original order for the Statewide Financing Pilots, and Resolution E-4663, which states that CSE's marketing plan "should consider the full range of market actors, including contractors, real estate professionals, lenders, retailers, and community-based organizations to evaluate which can best support the pilots"⁵ Based on this guidance, CSE's Finance Marketing Plan⁶ describes a market facilitation approach that leverages credible messengers, such the Investor Owned Utilities (IOUs) and Regional Energy Networks (RENs), and provides support to market actors (e.g., contractors) to promote REEL. Taken together, these organizations and actors are referred to broadly as "Strategic Partners" in the campaign.

The Marketing Plan describes four measurable objectives⁷:

1. Increased Strategic Partner awareness and understanding of Financing Pilot opportunities available to the relevant market sectors;
2. Increased Strategic Partner communications with target customers (potential borrowers) about Financing Pilot opportunities;
3. Increased target customer awareness of the availability of financing and the key differentiating benefits of the Financing Pilots; and
4. Increased volume of target customers taking initial action to seek financing

The Marketing Plan describes the end-user target market for Financing ME&O efforts as those that have already made the decision to move forward with a home upgrade project and are looking for ways to fund it.

⁴ Decision 13-09-044. Decision Implementing 2013-2014 Energy Efficiency Financing Pilot Programs. California Public Utilities Commission. September 2013

⁵ Resolution E-4663. California Public Utilities Commission. June 2014. Page 31.

⁶ CSE. November 2014. Energy Upgrade California® Statewide Financing Pilots Marketing, Education, & Outreach Plan.

⁷ *ibid*, pages 11-12

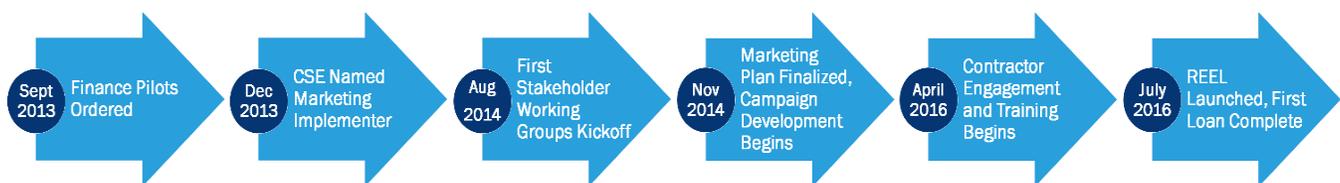
The Campaign does not intend to target consumers who are unaware of what type of project their home may need or consumers who are uninterested in doing a project.

This report provides additional details on the Campaign’s design and strategy in Section 4.1.

2.1.1 Implementation Timeline

In 2013, the CPUC ordered the Financing Pilots, naming the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) as the Pilots’ implementer and CSE as the ME&O implementer. After developing a draft marketing plan, CSE began holding working group meetings with Key Stakeholders to provide updates and solicit feedback on the plan. The plan was finalized in November 2014. However, due to delays in the launch of REEL, the Campaign fully-launched in July 2016 (see Figure 1).

Figure 1. Statewide Financing Pilots Launch Timeline



Further, after launch, the CPUC ordered the “de-coupling” of Finance ME&O from the Energy Upgrade California® statewide umbrella brand, which lead to a significant re-branding and collateral revision effort in the first half of 2017.

2.2 Research Objectives

Given that the Campaign was still in the very early stages of implementation, the Evaluation Team designed this study to assess whether the foundation was present to enable the successful promotion of REEL. Namely, the Evaluation Team sought to understand whether the Campaign had a sound marketing strategy and the proper systems in place. As such, this study focused on documenting key milestones and initial marketing activities, assessing early indicators of the success of the Campaign’s market facilitation approach, and examining stakeholder coordination and data tracking processes. With these goals in mind, the Evaluation Team pursued the research objectives shown in Table 1. The table below also provides a list of detailed questions explored per objective.

Table 1. Detailed Research Questions for the Financing ME&O Study

Research Objectives	Specific Question Explored
1 Document & assess Campaign design, implementation approach, and tracking tools in light of Campaign objectives	<ul style="list-style-type: none"> • What is the Campaign’s implementation strategy and goals? • Do Campaign tracking tools adequately support Campaign implementation and data needed to document all activities and evaluate the effectiveness of efforts? • What are the strengths and challenges of the market facilitation approach to marketing finance options to customers?

Research Objectives		Specific Question Explored
2	Document & assess marketing spending	<ul style="list-style-type: none"> • How much was spent on marketing and what was it spent on (in terms of targets and activities)? • What is the reach potential of those activities within one year in light of the marketing spent? For example, which tactics had the lowest cost per impression? Which tactics has the highest cost per impression?
3	Document & assess coordination among Key Stakeholders	<ul style="list-style-type: none"> • How well do CSE, CAEATFA, the IOUs, and the RENs coordinate on REEL marketing efforts? • Do the IOUs/RENs understand their role and responsibilities and how well are they fulfilling that role? • Are the IOUs/RENs duplicating, complementing, or competing efforts? If so, how? • Are the IOUs/RENs leveraging existing energy efficiency portfolio budgets and activities?
4	Document & assess contractor engagement	<ul style="list-style-type: none"> • How has the Campaign engaged contractors and how many contractors were engaged in each activity? • Was there an increase in awareness of REEL among contractors? • Do contractors understand the REEL pilot? • What do contractors think of the tools and marketing support available to them from CSE? • What is the likelihood that contractors will promote REEL to their customers? • Did contractors' communication with the target change in terms of messaging, tactics, or materials? If so, how? • Are contractors promoting REEL and the Go Green Financing website or do they plan to? • How comfortable are contractors sending customers to the Go Green Financing website? • How are contractors responding to the Cooperative (Co-Op) Marketing or co-branding opportunities?
5	Document & assess financial institution (FI) engagement	<ul style="list-style-type: none"> • How many FIs are engaged in the Campaign? • Was there an increase in FI communications with target customers? • Are FIs experiencing an increase in customer calls/inquiries about EE financing? • What do FIs think of the tools and marketing support available to them from CSE? • Are FIs taking advantage of Co-Op Marketing or co-branding opportunities? • How many FIs have links and references on their company websites to the REEL and Go Green Financing websites? • How many referrals do the FIs get from the Finance Concierge Service (FCS) tool? Do the FIs use this tool? Do they refer customers to it? • Are FIs training their customer service associates about REEL and the FCS tool?
6	Document & assess consumer engagement	<ul style="list-style-type: none"> • Is the FCS tool valuable to consumers? • How many times did consumers contact FIs because of the FCS tool? • How many of FCS tool users turned into actual loans or leases? • How much traffic is the finance website getting from consumers? Is there a noticeable increase in traffic following a specific marketing effort?
7	Identify areas of improvement	<ul style="list-style-type: none"> • Based on assessment of all of the above

Table 2 below provides a crosswalk of where we address each research objective in the report.

Table 2. Research Questions Crosswalk

Research Objectives		Report Section
1	Document & assess Campaign design, implementation approach, and tracking tools in light of Campaign objectives	4.1.1 and 4.1.3
2	Document & assess marketing spending	4.2.1
3	Document & assess coordination among Key Stakeholders	0, 4.2.2, and 4.3.1
4	Document & assess contractor engagement	4.2.2 and 4.3.2
5	Document & assess FI engagement	4.2.2 and 4.3.3
6	Document & assess consumer engagement	4.2.3 and 4.2.4
7	Identify areas of improvement	Throughout the report; summarized in Section 5

2.3 Report Structure

In the remainder of this report, we provide the following information:

- Summary of the evaluation approach and research tasks, including data sources and limitations (Section 3),
- Documentation of Campaign design, implementation, and activities, and a summary of key findings from research tasks (Section 4),
- Conclusions and recommendations for Campaign and CPUC staff (Section 5), and
- Appendix A contains an interim memo with detailed findings from the REEL-enrolled contractor survey, including a topline of results.

3. Summary of Methods

Table 3 briefly summarizes the evaluation tasks conducted to answer the study research questions. We provide more detail on each evaluation task following the table.

Table 3. Methods Summary

Task	Timing	Related Research Objective(s)	Summary
Campaign Tracking Data and Collateral Review	December 2015 through June 2017	All, but especially 1 and 2	The Evaluation Team conducted a secondary data review of campaign materials and records (including marketing collateral, stakeholder presentations, and monthly narratives provided by CSE), and key data tracked by the campaign through monthly metrics reports. In addition, the Evaluation Team also conducted reviews of IOU, FI, and contractor websites for REEL specific messaging or promotions.
Campaign Rollout Observation and Coordination	December 2015 through June 2017	3	The Evaluation Team coordinated with CSE throughout the year to ensure that the evaluation is as close to real-time as possible and accurately reflects campaign activities. We also attended meetings and feedback forums
FCS User Interviews	November 2016 through April 2017	6	The Evaluation Team conducted interviews with 19 users of the FCS Tool to explore how respondents found the website, what their experience was like, and if they followed through with financing a home upgrade project.
REEL-qualified Contractor Survey	March 2017	4	The Evaluation Team conducted an internet survey among REEL-certified contractors to collect feedback on training effectiveness as well as the marketing support provided by the Campaign. The survey sought to measure increases in awareness of topics covered in training, the propensity to market finance post-training, and how well the contractors understand the Financing Pilots and their ability to communicate with their customers regarding the Financing Pilots.
Key Stakeholder Interviews	July 2017	3, 1	The Evaluation Team conducted depth interviews with Key Stakeholders in the Campaign, including the IOUs, the RENs, CAEATFA, and CSE. The purpose of the interviews was to understand the roles stakeholders play and how they coordinate with each other. We also collected their feedback on the Campaign's marketing strategy and activities.
Campaign Comparison	July 2017	1	The Evaluation Team compared CSE's marketing strategies for the Financing Pilots with four other similar statewide marketing campaigns. By identifying other campaigns through websites, industry publications, we identified where CSE's marketing campaign theory and implementation stands in relation to other marketing efforts in terms of theory, implementation, and spending.
FI Interviews	August 2017	5	The Evaluation Team conducted interviews with FIs involved in REEL to collect their feedback on marketing support from CSE.

The following sections provide a detailed description of each activity.

3.1.1 Campaign Tracking Data and Collateral Review

The Evaluation Team reviewed secondary data for the first 12 months of the campaign, July 2016 through July 2017. The Evaluation Team reviewed campaign materials (i.e., marketing collateral in print, digital, and video formats, training materials, etc.), monthly metrics reports and narrative summaries provided by CSE, and Stakeholder Meeting summaries and presentations. The Evaluation Team also conducted reviews of IOU, RENs, contractor, and FI websites with a focus on the financing products being promoted by these Strategic Partners.

3.1.2 Campaign Rollout Observation and Coordination

The Evaluation Team coordinated and met with CSE regularly throughout the first 12 months of the Campaign to ensure that evaluation was as close to real-time as possible and that it accurately reflected Campaign activities. We also attended and observed workshops, meetings, and feedback forums.

3.1.3 FCS User Interviews

The Evaluation Team also explored the value and effectiveness of the FCS tool that CSE developed on the Go Green Financing website to help consumers find financing options that best fit their energy project needs and budget. We conducted interviews with early adopters of the site to gather information on usability, outcomes, and motivations for using the tool.

The Evaluation Team coordinated with CSE to gather contact information for FCS tool users. We invited all individuals with a valid email address to engage in an interview. We interviewed 19 users of the tool between November 2016 and April 2017.

Table 4. FCS User Interviews Sample and Complete

Number of FCS Users with Valid Email Addresses	Total Respondents
212	19

3.1.4 REEL-qualified Contractor Survey

In March 2017, the Evaluation Team conducted an online survey with contractors who completed the CAEATFA training and subsequently enrolled as REEL-qualified contractors. The purpose of this survey was to get their feedback on the CAEATFA training, the REEL product, and the marketing support from CSE. We offered a \$100 incentive and ultimately completed 23 surveys, as shown in Table 5.

Table 5. REEL Contractor Survey Sample Frame

Number of Contractors	Contractors with Contact Information	Total Respondents
92	92	23

Importantly, this feedback represents a “snapshot in time”, as several changes to the REEL product and CSE’s marketing support are currently underway that may address some of the concerns from contractors. Further,

at the time of the survey, none of the respondent contractors had completed a REEL loan. Thus, their comments on the application process are based on their perceptions rather than actual experience.

3.1.5 Key Stakeholder Interviews

In July 2017, the Evaluation Team also conducted in-depth interviews with Key Stakeholders in the Campaign, including the four IOUs, two RENS, CAEATFA, and CSE. The specific goals of these interviews were to document Key Stakeholders efforts to promote REEL to-date, collect feedback on coordination with CSE, and collect feedback on the Campaign's activities to-date and the overall market facilitation approach

3.1.6 Campaign Comparison

The Evaluation Team compared the Campaign's contractor recruitment and marketing support efforts to those employed by other residential energy efficiency finance programs across the United States. We utilized data collected as part of the Finance Partner Outreach Strategy Study,⁸ including interviews conducted with program contractors and FIs. We also conducted secondary research on numerous programs. The Evaluation Team initially identified these programs through websites and industry publications, and secondary research was conducted to characterize the programs, including the geographic reach, measures offered, and overall program structure and strategy (e.g., whether the program is a stand-alone financing program or part of a broader energy efficiency effort). Overall, we looked at four programs, which offered the best comparison to the CSE campaign and relevant marketing information. Several other programs were researched—for example, the Maryland Home Energy Loan Program and Energy Smart Colorado. However, information on the marketing strategies employed were not publicly available for all programs.

Table 6 lists the programs included in our comparison. Similar to REEL, all the programs we reviewed operated statewide and supported a broad range of energy efficiency measures (i.e., they were not solely selling financial products). All four programs leveraged Strategic Partners (especially contractors) and websites to reach customers.

Table 6. Campaigns Included in the Comparison

Finance Program	Administrator	Year(s) Implemented	Loan Values as of 2015-2016
REEL	CAEATFA	2016-2017	\$444,363
Smart-E Loans	Connecticut Green Bank	2011	\$10.84 M
Heat Saver Loan	Vermont Public Service Department	2014	\$2.5 M
Smart Energy Loans and On-Bill Repayment	NYSERDA	2010, 2012	Over \$101 M

⁸ Finance Partner Outreach Strategy Study Report (CPUC Contract 12PS5093), 2016, Prepared by Opinion Dynamics and Dunsky Energy Consulting.

Finance Program	Administrator	Year(s) Implemented	Loan Values as of 2015-2016
Home Energy Loan	Michigan SAVES	2009	Over \$57 M

3.1.7 FI interviews

In August 2017, the Evaluation Team conducted interviews with all four FIs involved in REEL, including California Coast Credit Union, Desert Valleys Federal Credit Union, Matadors Community Credit Union and Valley Oak Credit Union. The goals of these interviews were to understand how the FIs are promoting REEL or using the FCS tool (if at all), get their feedback on marketing support from the CSE, and understand the level of customer interest in REEL so far.

3.2 Research Limitations

This study is limited to evaluating foundational milestones and assessing early indicators of the Campaign strategy's success. As such, more research will be needed as the Finance ME&O Campaign matures and has enough time to explore the connection between marketing and finance adoption. Further, Campaign activities changed frequently. The delays in the launch of REEL meant that this evaluation period could only focus on early foundational efforts and early impressions of the Campaign. Thus, while the core research objectives remained the same, the Evaluation Team adjusted specific evaluation questions, research tasks, and deliverables as needed to best evaluate the Campaign within this fluid environment.

4. Key Findings

4.1 Campaign Design and Implementation

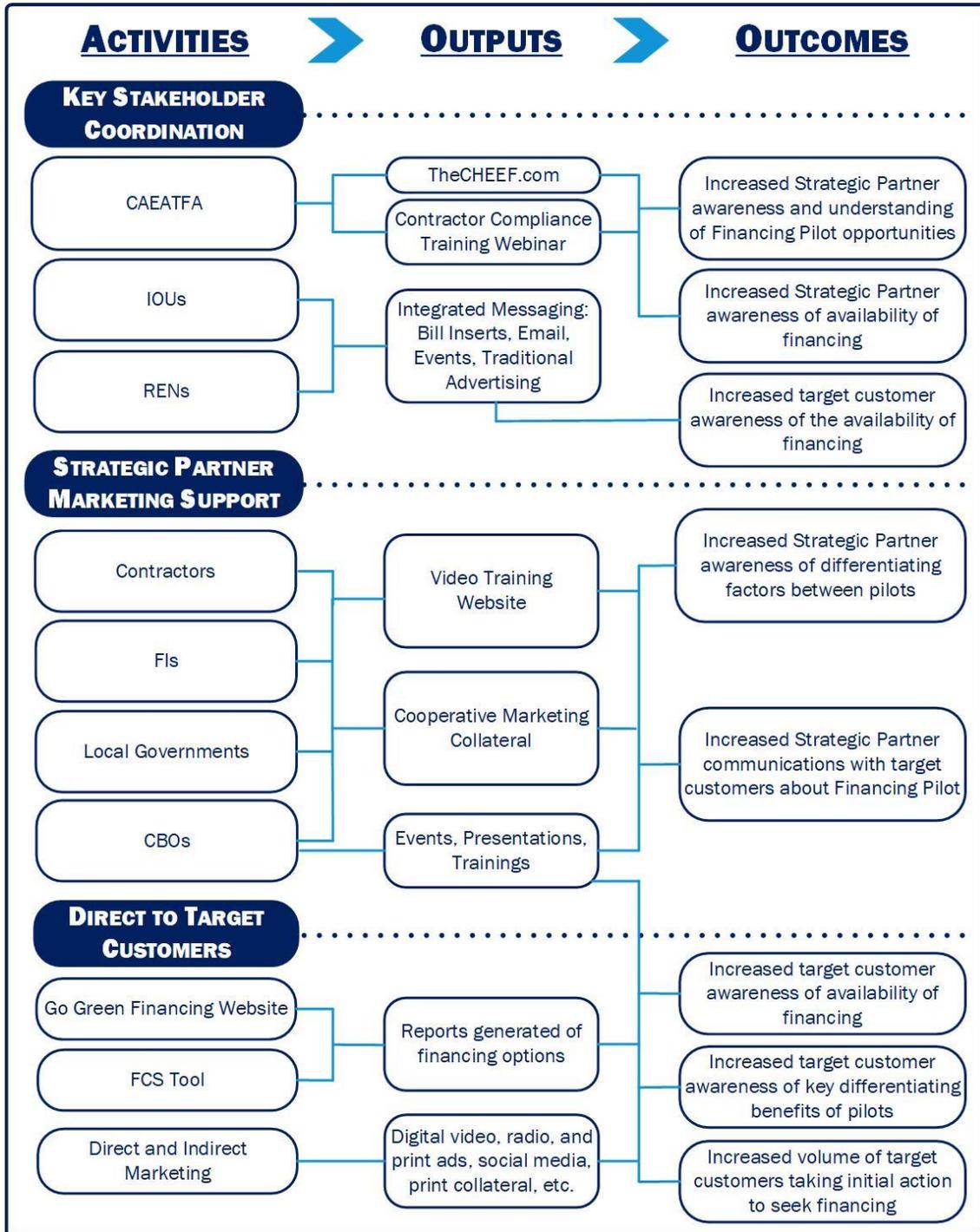
The following chapter provides an overview of the theory behind the Campaign's market facilitation approach, Key Stakeholder coordination processes, and data tracking practices. We also include an evaluability assessment of the Campaign based on tracking data available.

4.1.1 Program Theory and Objectives

As mentioned briefly in Section 2.1, the Campaign has adopted a market facilitation approach to promote financing to customers. Figure 2 below presents the program theory logical model (PTLM) outlining the Campaign's design, implementation strategy, and expected results. In the figure, "Activities" refer to efforts conducted by the Campaign. Primarily, this includes coordinating with Key Stakeholders (the IOUs, RENs, and CAEATFA) and providing marketing support to Strategic Partners, primarily contractors and FIs, as well as some local governments and community-based organizations (CBOs). However, there are also a few activities that are directly targeted at customers. Next, "Outputs" are short-term results from activities, such as collateral, websites, or training developed. This also refers to the ME&O efforts undertaken by Key Stakeholders in coordination with the Campaign. Lastly, "Outcomes" refer to the intended medium and long-term results of activities and tie directly back to the four key objectives of the Campaign:

1. Increased Strategic Partner awareness and understanding of Financing Pilot opportunities available to the relevant market sectors ("Strategic Partner Awareness");
2. Increased Strategic Partner communications with target customers about Financing Pilot opportunities ("Key Stakeholder and Strategic Partner Promotion");
3. Increased target customer awareness of the availability of financing and the key differentiating benefits of the Financing Pilots ("Target Customer Awareness"); and
4. Increased volume of target customers taking initial action to seek financing ("Target Customer Action")

Figure 2. Finance ME&O Logic Model



Notably, while the first two objectives are specific to the Statewide Financing Pilots, objectives three and four speak to increasing awareness and uptake of the Financing Pilots as well as other forms of energy efficiency financing. Therefore, the core spirit of the Campaign is to educate the customer on all products available and

connect the customer to the best option for them. A key part of this Campaign is also helping Strategic Partners understand the differentiating benefits of the Financing Pilots compared to other financing options and for Strategic Partners to then know when it's appropriate to promote the Financing Pilots versus something else based on a given customer's situation. Per this mission, the Campaign marketed two distinct brands and their associated websites—the California Hub for Energy Efficiency (CHEEF), dedicated to REEL and the future Financing Pilots, and Go Green Financing, dedicated to general energy efficiency financing awareness.

4.1.2 Stakeholder Coordination

Critical to the market facilitation approach is CSE's coordination with CAEATFA, the administrator of REEL, and the IOUs and RENs, who can help promote REEL as established, credible messengers in their communities. Stakeholder coordination occurs primarily through a Stakeholder Working Group established by CSE in accordance with Resolution E-4663, which states that CSE should work with CAEATFA and the IOUs to develop a marketing plan that “leverages channels of customer service including contractors and FIs, as well as IOU customer data segmentation, and existing ME&O of appropriate IOU programs”.⁹

The Working Group is comprised of three subgroups described below:

- **Advisory Group:** The Advisory group is composed of CPUC, CAEATFA, Energy Commission, industry stakeholders, IOU marketing teams, and program and policy or regulatory staff that serve as consultants due to their program or subject matter expertise.
- **Coordinating Group:** The Coordinating group consists of CPUC Financing Program leads and consultants, CSE, IOU Financing Program leads, and the Energy Upgrade California Statewide ME&O Program lead. The Coordinating group are invited to in-person meetings and serve as consultants who provide support and feedback to CSE on program design, implementation, and strategy.
- **Core Group:** The Core group is made up of CPUC and CAEATFA staff, the Energy Upgrade Financing team, and IOU Financing Program leads. The Core group is the most active of the three working groups and is responsible for ME&O activities for the ME&O Financing Programs. The Core group collaborates and coordinates with each other more frequently (i.e., weekly) than the Advisory or Coordinating groups.

Working Groups meet regularly or as needed. The Advisory group usually meets quarterly, while the Coordinating group meets monthly, and the Core group meets weekly. However, depending on developments in the campaign, the Working Groups may have more or fewer meetings. During these meetings, the Working Groups discuss various aspects of the Statewide Financing ME&O Campaign such as campaign materials, progress to date, and any changes in the policy landscape or ME&O strategy, among others.

⁹ Resolution E-4663. California Public Utilities Commission. June 2014. Page 40.

4.1.3 Data Tracking Practices

Based on our review of the data available, the Evaluation Team determined that the fundamental data tracking systems are in place to assess Campaign progress towards its goals moving forward, though there are some opportunities to enhance data tracking.

Data Availability

CSE has several highly-detailed tracking systems in place to support evaluation. To track the progress of various campaign activities, CSE provides a monthly metrics report to the CPUC and CAEATFA. The metrics report includes key performance indicators (KPIs) for each campaign activity. The report includes web analytics (e.g., number of visitors, page views, and average time spent on websites), output metrics for Strategic Partner ME&O activities (e.g., number of mailers sent, number of social media posts), Strategic Partner participation in Campaign training and marketing support, and referrals to Campaign websites from other websites or online searches. Table 7 below presents example KPIs related to each Campaign objective that the metrics report tracks.

Table 7. Example Key Performance Indicators by Objective

Objective	Example Key Performance Indicators
1: Strategic Partner Awareness	<ul style="list-style-type: none"> • Number of contractors enrolled in REEL • Number of Video Training website visitors, page views, registrations, resource clicks, course takers and courses taken • Number of contractor recruitment video views
2: Key Stakeholder and Strategic Partner Promotion	<ul style="list-style-type: none"> • Number of referrals to theCHEEF.com from IOU and REN websites and email blasts • Number of social media posts by IOUs • Number of direct mailers and emails sent by FIs, IOUs, and RENS • Number of registered Strategic Partners for Co-Op Marketing • Total Co-Op Marketing dollars spent
3: Target Customer Awareness	<ul style="list-style-type: none"> • Number of theCHEEF.com FI page views • Number of Find Financing and Finance FCS Tool page visitors and page views • Number of impressions of YouTube ads
4: Target Customer Action	<ul style="list-style-type: none"> • Number of clicks on digital ads and click-through rate • Top ranking criteria for financing options (number of times selected by FCS Tool users)

In addition to the metrics report, CSE also maintains a Budget and Project Tracker, and a REEL Marketing Tracker. The Budget and Project Tracker tracks budget and expenditures for rolled-up activity categories (e.g., "Contractor Recruitment, Training, and Support") and for some individual activities. The REEL Marketing Tracker tracks day-to-day campaign activities, including the individual or organization responsible for the activity, marketing channel, target audience, and IOU territory in which the activity took place, among others.

Opportunities for Improvement

Based on our review of the data available, the Evaluation Team identified three opportunities for improving future Campaign data tracking to enable more systematic assessment of ME&O activity performance.

- **Specify goals for KPIs:** While the Campaign tracks many KPIs, it currently does not document goals against which the KPIs may be compared. This limits the Campaign's ability to assess whether activities are meeting expectations. Notably, not all activities require quantitative KPIs or goals. However, in cases where a quantitative KPI is set (e.g., click-through-rate) a corresponding quantitative goal should be specified in the sheet (e.g., 1% click-through rate).
- **Track additional cost-per-reach metrics:** The Budget and Project Tracker is set up to provide cost-per-reach metrics (e.g., cost-per-click, cost-per-attendee) for individual activities. However, we found that the Campaign only tracked cost-per-reach metrics for a few direct-to-customer activities, but not for websites, contractor outreach, and other types of efforts. Providing this data enhances the ability to assess whether the results of activities justify their investments (i.e., cost-effectiveness) and to identify opportunities for reallocating funds to more successful efforts. Key marketing efforts, such as the FCS tool, or efforts that required large investments, such as video training, would especially benefit from additional cost-per-reach analysis.
- **Track Strategic Partner Activity Results:** Information on the achievements of Strategic Partner ME&O efforts is limited. For instance, while the Campaign tracks the outputs of Strategic Partner activities (e.g., the number of mailers sent and social media posts), it does not track KPIs that help understand the results of these efforts (e.g., click-through rate or number of leads generated). While much of this information can be collected through primary research, collaborating with Strategic Partners to agree upon specific metrics they should track and provide after campaigns may reduce the overall evaluation burden on these organizations. Notably, this approach may be most appropriate with the IOUs, RENs, and the FIs, who have marketing departments or designated marketing staff.

4.2 Campaign Activities and Progress to Date

Next, we provide a summary of Campaign budget and expenditures, activities, and progress-to-date, focusing on the activities that represent the bulk of Campaign spending. Where applicable, we also include insights from our comparison with similar statewide financing ME&O campaigns.

Contractor and customer uptake of financing has been slow in the first year, with 36 REEL loans approved through 15 contractors as of July 2017. Contractor and customer interest in some of the more innovative Campaign activities (e.g., Video Training and the FCS tool) has been particularly low. Further, contractors and other strategic partners have had little interest in Co-Op Marketing opportunities. Notably, however, after a slow start, contractor enrollments in the REEL program (134¹⁰ as of July 28, 2017) and the number of closed

¹⁰ Source: "REEL Contractors List". California Alternative Energy and Advanced Transportation Financing Authority. <http://www.treasurer.ca.gov/CAEATFA/cheef/reel/index.asp> (Date Accessed: August 1, 2017).

loans have begun to rapidly increase in 2017 (five loans closed prior to 2017 and the remaining 19 closed in the last six months).

4.2.1 Campaign Budget Allocation and Expenditures

Through July 2017, the Campaign has spent \$5 million of the \$5.6 million 2014 - 2017 Finance ME&O budget, or 89%. Table 8 below provides a breakdown of budget and spending by category. In line with the core theory behind market facilitation, the largest portion of spending (45%) focused on recruiting, training, and providing marketing support to Strategic Partners. Following that, about a third of the budget (30%) funded customer-facing websites and direct-to-customer marketing activities either by the Campaign or Strategic Partners. The remaining spending (26%) supported general administration and market research activities, which is reasonable considering the amount of time and resources necessary to design and start-up a new marketing campaign.

Table 8. Finance ME&O 2014-2017 Budget and Expenditures

Category	Activity	Description	2014 - 2017			
			Budget	% of Budget	Spent through July 2017	% of Spending
Strategic Partner Recruitment, Training, and Marketing Support	Co-Op Marketing	Direct marketing incentives for Strategic Partners, no-cost marketing campaigns, and print-on-demand platform for co-branded marketing materials	\$916,929	16%	\$792,849	16%
	Contractor Recruitment, Training and Support	Trade organization engagement and contractor outreach and recruitment; Clean Energy Financing Advisory Council (CEFAC) meetings	\$787,387	14%	\$787,171	16%
	Multimedia Marketing and Training	Direct-to-customer and Strategic Partner video marketing, on-demand video training platform, guidebook for campaign messengers	\$661,853	12%	\$642,871	13%
Websites and Direct-to-Customer Marketing	Consumer-Facing Marketing Campaigns	Direct-to-customer collateral, events marketing, digital ads; customer-facing websites; support of Strategic Partners on direct-to-customer marketing	\$1,534,212	27%	\$1,316,972	26%

Category	Activity	Description	2014 - 2017			
			Budget	% of Budget	Spent through July 2017	% of Spending
	Strategic Partner Strategies	Direct-to-consumer and contractor marketing by SoCalREN, BayREN, and Santa Barbara County	\$188,670	3%	\$107,303	2%
	FCS Tool	FCS Tool webpage design and administration	\$132,306	2%	\$95,517	2%
	IOU Partnership	Direct mail and e-blast by PG&E, SCE, SDG&E, and SCG	\$100,000	2%	\$0	0.00%
Administration and Research	Program Administration	General Administration and Management	\$1,111,537	20%	\$1,094,008	22%
	Research	Campaign market research activities	\$197,711	4%	\$192,131	4%
	Energy Financing Line-Item Charge (EFLIC) Pilot	Administration and implementation of EFLIC program	\$323	0.01%	\$323	0.01%
Total			\$5,630,928	100%	\$5,029,144	100%

Source: Finance ME&O Budget and Project Tracking as of August 2017.

Comparison with Other Statewide ME&O Budgets

While we were not able to obtain budget information for most programs included in our campaign comparison, we obtained publicly-available budgetary information for energy efficiency programming in the state of Connecticut, under which the Smart-E loan program falls. Notably, this budget includes all Energize Connecticut statewide programming ME&O and is still a fraction of the marketing budget for REEL (Table 9).

Table 9. Marketing Budgets for Energy Connecticut versus REEL

Energize Connecticut Statewide ME&O	REEL ME&O (2014-2017)	REEL ME&O (2017 Only)
\$1,307,069	\$5,630,928	\$2,398,034

Source: Finance ME&O Budget and Project Tracking as of August 2017; *Energy Efficiency Board 2015 Programs and Operations Report*. Energize Connecticut (March 2016).

The difference between these campaigns' budgets reflects that the REEL Campaign serves a larger state and that the budget spans multiple years (though, as shown in Table 9, the 2017 REEL ME&O budget is still nearly double Energize Connecticut's). This difference may also be driven by large investments in Strategic Partner recruitment and marketing support. This additional investment is appropriate for a new program like REEL but, as we discuss in the next sections, many of the Strategic Partners are not using the Campaign's marketing support offerings.

4.2.2 Strategic Partner Recruitment and Support

The majority of Campaign spending went towards recruiting and supporting Strategic Partners (i.e., contractors, FIs, local governments, IOUs, RENs, and CAEATFA). In this section, we summarize the Campaign's outreach and recruitment efforts and its two key marketing support activities.

Outreach and Recruitment

CAEATFA and CSE collaborate to recruit, on-board, and coach REEL-enrolled contractors. CAEATFA recruits contractors who are already enrolled in energy efficiency programs, such as Energy Upgrade California® Home Upgrade, emPower Central Coast, and HVAC Quality Installation/Quality Maintenance. Interested contractors are invited to attend a webinar on REEL, hosted by CAEATFA. This training covers program processes and requirements and encourages contractors to take advantage of CSE marketing support. Once contractors enroll in REEL, CSE reaches out to contractors to offer additional training and dedicated support.

CSE's initial outreach was limited to a follow-up e-mail. However, in April 2017, in response to low contractor interest in REEL, CSE began providing additional one-on-one outreach and support to contractors through program representatives assigned to each REEL-certified contractor. According to CSE staff, contractors have responded positively to the new outreach approach. While contractor enrollment is still limited overall, the program has seen a large uptick in closed REEL loans following the new engagement strategy.

Notably, while contractors are the focus of outreach, the Campaign has also performed outreach and provided marketing support to FIs and local governments. This included in-person engagement during Clean Energy Financing Advisory Council (CEFAC)¹¹ events and micro-grants and cost-sharing for marketing efforts.

Marketing Support Activities

The Campaign offered two key marketing support activities, Co-Op Marketing and Video Training, which are available for all Strategic Partners. Both offerings have struggled to attract participation from Strategic Partners to-date.

Co-Op Marketing

CSE's Co-Op Marketing support is housed as an on-demand website where Strategic Partners can download a wide variety of REEL and Go Green Financing marketing materials, including several co-branded options. The Campaign allots each organization free marketing "dollars" (points that can be spent within this system) to purchase marketing materials that CSE will print for them.¹² To make it easier for Strategic Partners to use this service, Campaign program representatives began a turn-key service in April 2016 (as a part of their

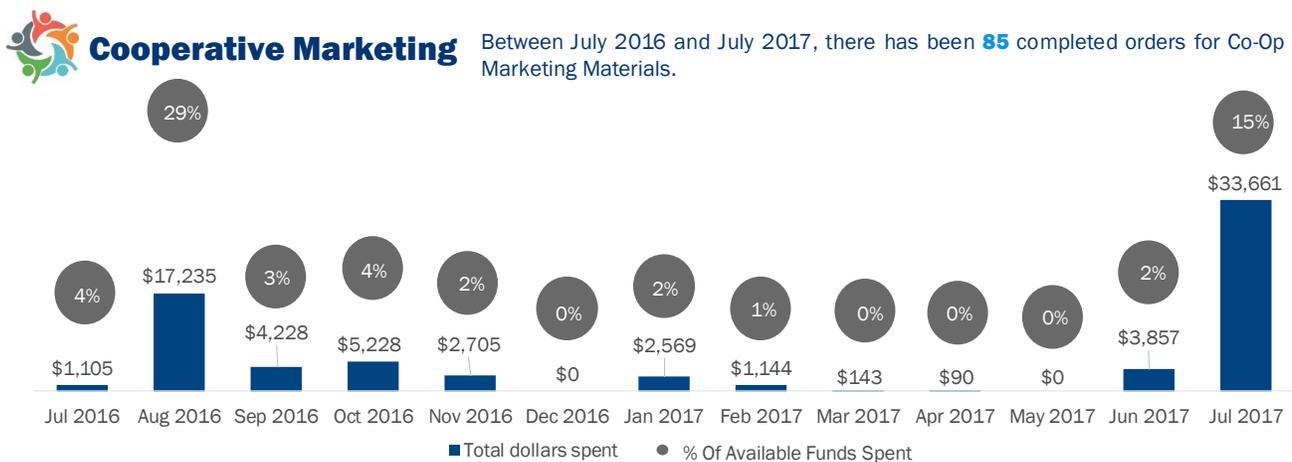
¹¹ <https://energycenter.org/cefac>

¹² Notably, non-cobranding materials are free to download, but Strategic Partners must print the materials themselves.

overall redesign of outreach). As a part of this service, Strategic Partners can choose packages of collateral best suited to their needs (e.g., an "events" package with table covers and stand-up posters) and the program representative orders and prints the collateral for them.

In the last year, a total of 161 Strategic Partners have registered on the platform, including 121 contractors (90% of the 135 REEL-enrolled contractors), 18 CBOs, and 14 local governments. The four IOUs and four participating FIs have also registered. However, Strategic Partner uptake of Co-Op Marketing materials has been very low to-date. Only about half of registrants (85 of 161) have placed orders since materials became available in May 2016. Strategic Partners have spent about \$75,000 of marketing "dollars" total, which is a very small percentage of the total available funds. As shown in Figure 3 below, the percent of available funds spent monthly typically ranged from 0 to 4%, with a few spikes in activity in the summers of 2016 and 2017, driven by ramped-up CBO and contractor outreach efforts. CSE mentioned that relatively low activity in early 2017 was due to the de-coupling from Energy Upgrade California®, requiring CSE to redesign Co-Op Marketing materials. Notably, at the time of this report, the Co-Op Marketing has been discontinued.

Figure 3. Co-Op Marketing Activity



Source: Finance ME&O Monthly Metric Report July 2017

Video Trainings

The Campaign offered on-demand Video Trainings to help Strategic Partners become more aware of the Statewide Financing Pilots and increase Strategic Partner communication with their customers. The training was available online, via TrainEnergyUpgrade.com, and included two modules. The first training module provides Strategic Partners with an overview of financing products, as well as Go Green Financing. The second module focuses on REEL, its potential customers, possible barriers to financing, and how to effectively communicate to customers.

Participation in the Video Training has been low to-date, though there was an increase in the number of unique visitors in April 2017 after the redesigned contractor outreach began, which helped new contractors register on the training website. Overall, of the 434 unique visitors to the training websites, 12% have completed training courses. Notably, as shown in Figure 4, a very small number of Strategic Partners who view the website end up taking courses. Contractors are the most common course takers, though still only 20 of the 134 REEL-

qualified contractors (or 15%) have taken courses. Notably, at the time of this report, the Video Training has been discontinued.

Figure 4. Video Training Activity



Source: Finance ME&O Monthly Metric Report July 2017

Funding for Strategic Partner Activities

The Campaign also provided ad hoc funds to support contractor, real estate professional, and direct-to-consumer marketing from the four IOUs, two RENs, and Santa Barbara County (the emPower program). Using the funds, these organizations employed a wide variety of direct and indirect marketing tactics. Notably, these organization often leveraged their existing networks, collateral, websites, and program processes to add-on messaging about REEL and Go Green Financing. Table 10 below summarizes the efforts that these organizations have undertaken with these funds.

Table 10. Campaign-Funded Strategic Partner Activities

Strategic Partner	Activities and Results
BayREN	<ul style="list-style-type: none"> • 140 postcards, 200 pieces of collateral, 381 newsletters, and 399 e-mails to contractors • 1,719 newsletters distributed to BayREN member agencies (i.e., local governments) • 11,200 pieces of hard-copy collateral distributed to BayREN member agencies • Adder messaging on Home Upgrade and Advanced Home Upgrade Collateral; 3,856 downloads • 460 direct customer referral to Go Green Financing through Home Upgrade Advisors
PG&E, SCE, SCG, SDG&E*	<ul style="list-style-type: none"> • 800,000 e-newsletters distributed • 550,000 bill inserts distributed • Web promotion and adder messaging on marketing materials
Santa Barbara County (emPower)	<ul style="list-style-type: none"> • 81 Go Green Financing referrals from website • Five events • 2,551 direct mail recipients • Three social media posts, 122 people reached
SoCalREN	<ul style="list-style-type: none"> • Four realtor events, 153 attendees, 550 pieces of collateral distributed • 6,000 webpage visitors, 18,000 page views • 14 Facebook posts, 192 "likes" or "shares" • 6,695 e-mail blast recipients, 27% open rate, 3.7% click-thru rate (CTR) • 563 contractor engagements, 2,939 customer engagements

*The Monthly Metric Report did not track results by IOU.

Sources: Finance ME&O Monthly Metric Report July 2017

Comparison with Other Statewide Financing ME&O Efforts

The Campaign's approach to recruiting and training contractors is similar to other statewide finance programs, though the Campaign has made significant investments in a few approaches that the other programs did not include. Across all programs, contractors were solicited through a mixture of program websites, targeted in-person outreach, and event attendance. Contractor training requirements were also consistent in including an in-person or webinar-based onboarding training (required in all but one program) and a series of follow-up trainings. However, the REEL Campaign stands out in that it offers on-demand Video Training modules in lieu of periodic live trainings, as well the Co-Op Marketing service. Low uptake of this support from contractors, discussed earlier in this section, in combination with this comparison of strategies used by other campaigns suggests that these additional investments ultimately may not have been necessary.

Table 11. Contractor Engagement Comparison

Finance Program	Contractor Solicitation Strategy	Contractor Training and Marketing Support Strategies
REEL	Conference attendance, in-person, e-mail and phone outreach, contractor liaison employed, open solicitation on CHEEF website	CAEATFA's on-boarding webinar; on-demand Video Training; Co-Op Marketing
Smart-E Loans, CT	Conference attendance, targeted outreach; one-on-one engagement; open solicitation on website	On-boarding training (in-person); continuous webinars
Heat Saver Loan, VT	Existing trade networks; open solicitation on website	On-boarding training (in-person); continuous training
Smart Energy Loans and On-Bill-Repayment, NY	Phone and email recruiting; open solicitation on website	No onboarding training required; occasional webinars
Home Energy Loan, MI	Trade ally meeting attendance, e-mail recruiting, contractor liaison employed, contractor recognition program	On-boarding training; sales training offered

Sources: *Finance Partner Outreach Strategy Study Report* (CPUC Contract 12PS5093). Opinion Dynamics and Dunsky Energy Consulting (2016); *Energy Efficiency Board 2015 Programs and Operations Report*. Energize Connecticut (March 2016).

4.2.3 Direct-To-Customer Outreach

The next largest portion of spending went to direct-to-customer marketing. The centerpiece of the Campaign's direct-to-customer efforts was the 2017 Summer Marketing Campaign, which included a wide variety of digital and social media advertising, e-mail blasts, and Search Engine Marketing (SEM) activities. To encourage more contractor participation in the Summer Marketing Campaign, the Campaign also offered additional funds to purchase Co-Op Marketing materials for a limited time.

As shown in Table 12, the Campaign achieved tens of millions of customer impressions in the first year. Based on the CTRs, all activities performed well. According to Google AdWords, a premier web analytics provider, it is typical to see CTRs between 2% and 3% for SEM and 0.25% to 0.50% for digital banner ads (i.e., the Pandora

and CBS radio ads below).¹³ The activities generally met these benchmarks and, in some cases, exceeded them. Benchmarks for conversion rates depend heavily on what the "ask" is (the desired action) and the medium. In the e-commerce industry, for example, 2% to 3% is considered an average conversion rate¹⁴, but other industries expect much lower rates. According to Google AdWords, the cross-industry average conversion rate is 0.89%.¹⁵ Based on this standard, the conversion rates in the table below are typically a bit below average. Considering that the CTR is at or above average, this lower conversion rate may reflect that the "ask" is a potentially large commitment (i.e., applying for or requesting information on financing). We also note that much of this data reflects the very beginning of the Summer Marketing Campaigns. Per CSE, by design, this early stage was intended to solidify the ad buy and keyword selection, producing lower CTR for this period than are reflective of full summer campaign.

Table 12. Direct-to-Customer Activities

Activity	Brief Description	Results
Events	In-person engagement at homeowner events (e.g., home shows, workshops)	<ul style="list-style-type: none"> • Number of Events Attended: 10 • Engagements during Events: 986
Digital Advertising		
Rocket Fuel Digital Buy	Digital media buys from July to December 2016	<ul style="list-style-type: none"> • Impressions: 24,829,135 • CTR: 0.23% • Conversion Rate: 0.08%*
CBS Radio Digital Buy	Digital radio ads and email campaign	<ul style="list-style-type: none"> • Impressions: 1,266,251 • CTR: 0.75%*
Pandora Radio Digital Buy	Pandora radio audio and banner ad buys	Digital Audio: <ul style="list-style-type: none"> • Impressions: 1,808,169 • CTR: 0.05% Banner Ads: <ul style="list-style-type: none"> • Impressions: 542,393 • CTR: 0.75%
SEM		
Best Way to Financing Energy	Paid search engine advertising on Google, Bing, Yahoo, etc.	<ul style="list-style-type: none"> • Impressions: 72,851 • CTR: 5.51% • Conversion Rate: 0.93%
We Help Financing Home Improvement		<ul style="list-style-type: none"> • Impressions: 99,857 • CTR: 2.35% • Conversion Rate: 0.52%
We Help Financing Home Improvement that Save Energy and Money		<ul style="list-style-type: none"> • Impressions: 43,519 • CTR: 2.52% • Conversion Rate: 0.69%
Home Improvement Loans		<ul style="list-style-type: none"> • Impressions: 8,583 • CTR: 2.84%

¹³ <http://www.wordstream.com/average-ctr>

¹⁴ <https://www.invespro.com/blog/the-average-website-conversion-rate-by-industry/>

¹⁵ <https://searchenginewatch.com/2016/03/15/google-adwords-average-conversion-rates-by-industry-study/>

Activity	Brief Description	Results
		<ul style="list-style-type: none"> • Conversion Rate: 0.47%
Financing for/Find the Best Home Improvements/Home Improvement Loans		<ul style="list-style-type: none"> • Impressions: 13,855 • CTR: 2.60% • Conversion Rate: 1.34%
Making Home Improvement Find Green Energy Financing		<ul style="list-style-type: none"> • Impressions: 32,752 • CTR: 2.44% • Conversion Rate: 0.91%

Definitions:

"Click-Thru-Rate": the number of customers who saw the advertisement and clicked on it (calculated as clicks/impressions)

"Conversions" are not specifically defined in the Metrics Report, but this term typically refers to the number of customers who saw the advertisement, clicked on it, and completed a desired action (e.g., using a web tool, requesting information, or becoming a lead).

"Conversion Rate": calculated as Conversion/Impressions

*Calculation by the Evaluation Team using data available.

Source: Financing MEO Metrics Report July 2017; Stakeholder Working Group Meeting Presentations

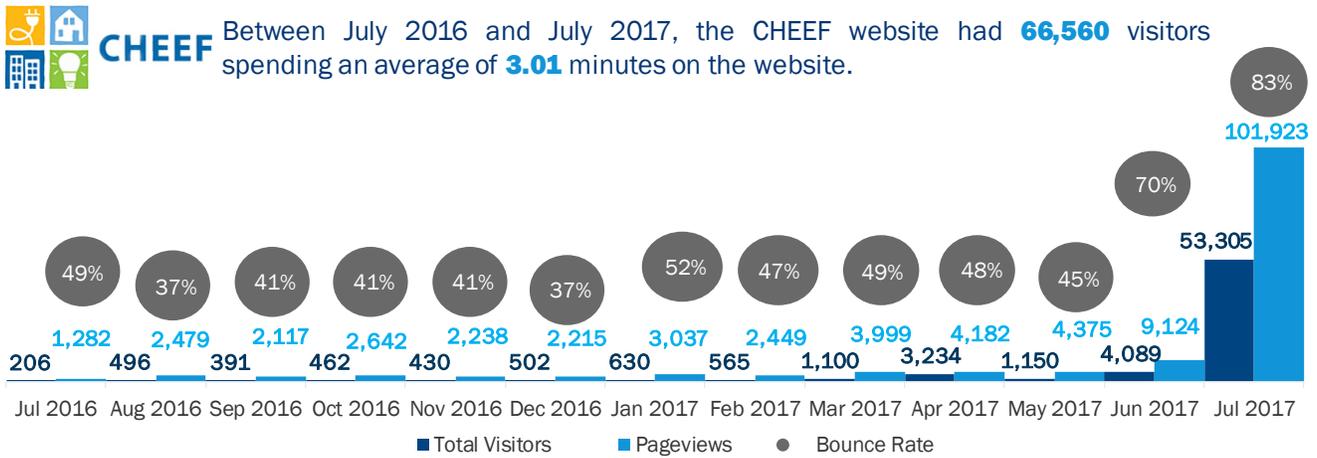
4.2.4 Customer-Facing Websites

The Campaign administered two customer-facing websites and an online decision-making tool (the FCS Tool). The "CHEEF" provides information to customers, contractors, and FIs on REEL and other Statewide Financing Pilots. It also features tools and resources for contractors and FIs, including information on marketing support available from the Campaign. Go Green Financing is intended to be an unbiased resource that promotes general awareness of energy financing options. Within the Go Green Financing website, the FCS tool asks customers to provide information on their household and financing preferences and generates recommended options for them.

As shown in Figure 8, visits to the CHEEF website have steadily increased since Campaign launch. There was an especially large increase in visits in July 2017 (over 50,000 visitors compared to 4,000 in June). According to CSE, this uptick in activity was concurrent with the launch of the Summer Marketing Campaign (described earlier in the report). By far, the most commonly viewed page on the website was the CHEEF.com/REEL (88,917 views), which is the page promoted on Campaign collateral. Notably, while the bounce rate¹⁶ had stayed at average levels (we expect bounce rates of 40% to 60% for websites) and relatively stable for the first year (July 2016 - May 2017), it increased significantly in June and July 2017. We expect increased bounce rates when advertising increases and this indicates that, although visits increased when the Summer Campaign cast a wider net, fewer visitors found the information interesting and/or applicable.

¹⁶ The "bounce rate" is the percentage of visitors who leave the website after viewing only one page.

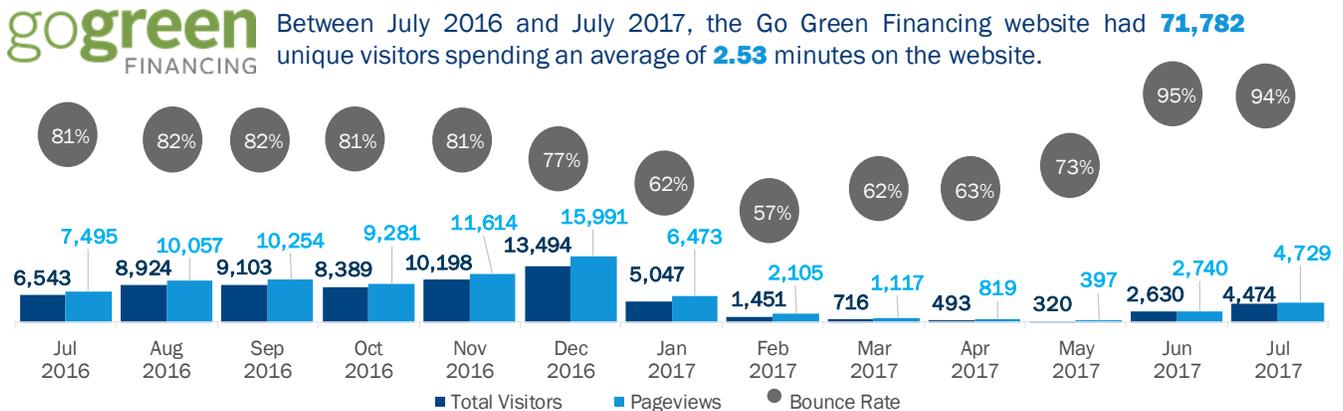
Figure 5. The CHEEF Snapshot



Source: Finance ME&O Monthly Metric Report July 2017

The Go Green Financing website had more visitors overall compared to the CHEEF, but visitation dropped sharply at the beginning of 2017. According to CSE, the website was under construction at that time due to the de-coupling of Go Green Financing from Energy Upgrade California®. As of July, visitation has begun to recover but has yet to achieve the same levels it did in 2016. Notably, while Go Green Financing does not demonstrate a preference for any financing options, REEL was the most commonly viewed financing option on the site (1,017 views), followed by Property Assessed Clean Energy (PACE) lenders (638 views). Notably, these are very low numbers of webpage views, driven by the high bounce rate from the homepage. Figure 6 below summarizes Go Green Financing website activity.

Figure 6. Go Green Financing Snapshot



Source: July 2017 Monthly Metrics Sheet

Also shown in Figure 6, the bounce rate for Go Green Financing is very high (ranging from 62% to 94%), which indicates that customers rarely go beyond the home page to explore financing options. Similarly, the FCS tool

has had very little uptake to-date, with 6% of FCS webpage visitors (500 of 8,900) generating reports. Notably, at the time of this report, the FCS Tool has been discontinued.

Customer Feedback on the FCS Tool

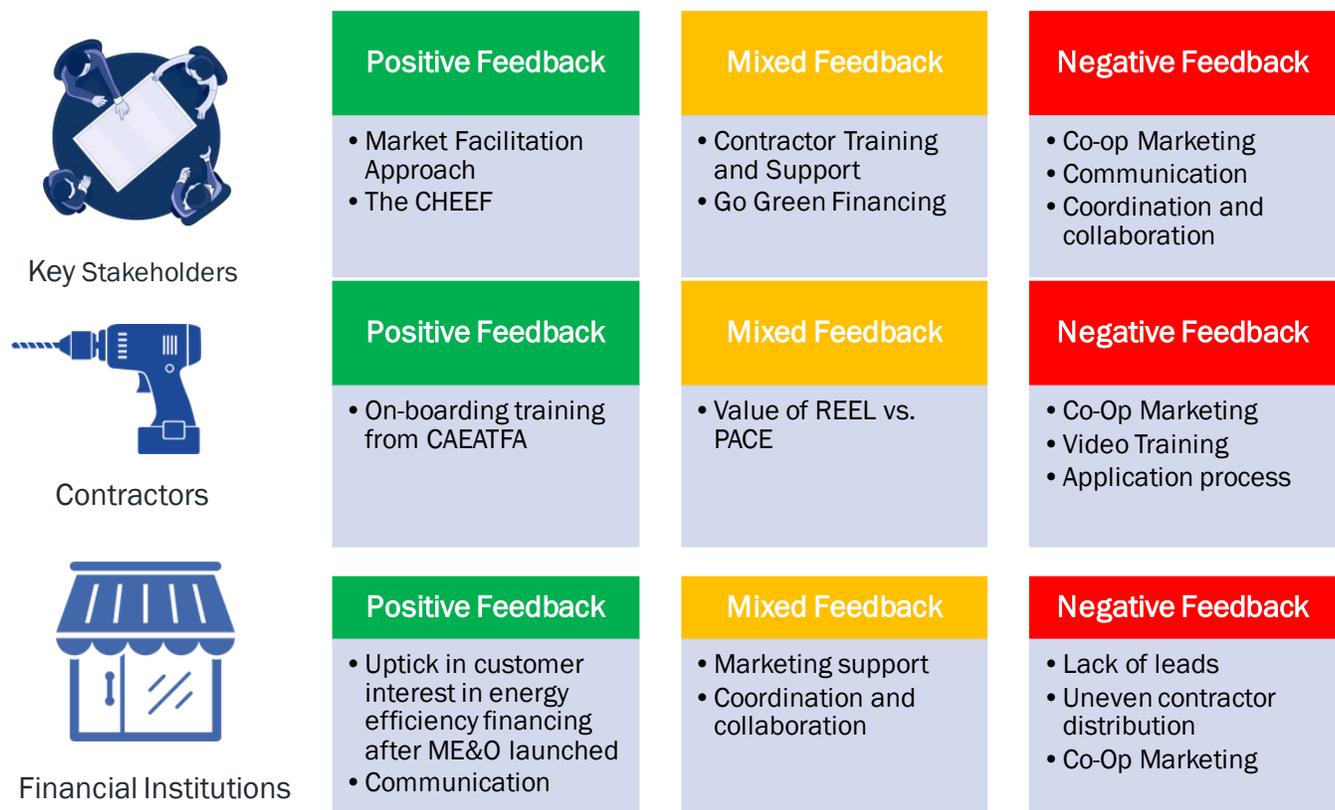
However, based on our interviews with 19 customers who used the FCS Tool, users did find the FCS tool to be educational and easy to navigate. However, there were some opportunities for improvement that might have increased user follow-through on recommendations. Below are the key findings from the interviews.

- **Customer were satisfied with the FCS Tool.** Respondents rated FCS Tool as a 7.7 out of 10 (n=19). Many respondents (13 of 19) reported that the website was easy to use and understand. The most challenging aspects of the process were questions relating to equity and other personal finance information, as some respondents found it difficult or uncomfortable to provide that information (7 of 19). Nearly all interview respondents said they would recommend the FCS to others. However, eight of the 19 respondents reported that, though they would recommend the tool, they would do so hoping that it would work better for someone else than it had with them.
- **The FCS was a valuable educational tool.** Nearly all respondents thought the FCS was a valuable educational tool. Most respondents reported that their knowledge of energy efficiency financing increased "some" (n=8) or "a lot" (n=6) of as a result of using the FCS tool. Only two respondents reported that their knowledge did not increase. Though most participants did not suggest any educational improvements for the site, some respondents thought that a comprehensive list of energy financing options would be useful (notably, this is the intent of Go Green Financing).
- **Few users have followed through with FCS-recommended financing.** None of the interview participants were currently participating in FCS-recommended financing. The reasons for not pursuing FCS recommended financing included high interest rates, not qualifying due to geography or financial standing, or finding a different option not connected to FCS. The Evaluation Team found that interview participants had real construction projects in mind or had even started their renovations (13 of 19), but they did not use or plan to use the financing options recommended by the FCS tool.
- **Some design changes may have increased recommendation follow-through.** While most users found the comparison process to be a useful exercise in helping them clarify their preferences, some users described the questions as repetitive and the process too long. Several interview participants expressed interest in seeing a list of all energy efficiency financing options in the state of California (notably this is available via the Find Financing web page on Go Green Financing). For others, the experience of going through the matching exercise every time they visit the site was undesirable. At the time of the interviews, the FCS returned a list of financing options that are customized to the user, but those results are not stored in the system. If a customer needs to revisit their results at a later time, they must complete the process again. Additionally, the collection of names and email addresses on the FCS site gives the impression that an account is being created, so users are confused when they come back to the site and there is no place to log in. Several interview participants expressed the need for an online account, which would give them the ability to research all their options over a longer period of time and share results with housemates.

4.3 Feedback from Strategic Partners

Implementation of the Campaign required that CSE navigate a complex system of stakeholders that deliver energy efficiency programs and financing solutions to customers. Each of these stakeholders needed to "buy-in" to REEL, find value in the Campaign's marketing support, and coordinate with the Campaign as needed. Thus, beyond documenting activities and progress, a second pillar of this study was primary research (i.e., surveys and interviews) with Strategic Partners to collect their feedback. These included CSE, Key Stakeholders (CAEATFA, IOUs, RENs), REEL-certified contractors, and the four FIs that offer REEL. Where possible, we added context to these findings through secondary research on best practices and reviews of Strategic Partner websites. We summarize our findings in Figure 7 below and provide more detail in the following sections.

Figure 7. Strategic Partner Feedback on REEL and Finance ME&O



4.3.1 Key Stakeholder Feedback

Key Stakeholders were generally supportive of the Campaign's underlying theory and the value of the CHEEF as a central hub for information on the financing pilots. However, as summarized in Figure 8 below, Key Stakeholders had mixed or negative feedback when it come to the actual execution of the Campaign, coordination with CSE, and some specific Campaign activities. We provide more detail on this feedback following the figure.

Figure 8. Key Stakeholder Feedback Summary



Coordination and Communication

We asked stakeholders to give feedback on their experiences with formal coordination meetings (e.g., quarterly stakeholder meetings), which the Evaluation Team also observed regularly, as well as day-to-day communication with the CSE (e.g., e-mails, weekly meetings, and ad-hoc calls). We note that many of the challenges mentioned below are rooted in the advisory role assigned to the IOUs and RENs in the Working Group coordination structure laid-out in the Finance ME&O Marketing Plan. Under this framework, CSE must provide updates to the IOUs and RENs and solicit their feedback on collateral and tactics, but is not required to make the changes they request. The challenges boiled down to two key themes—communications challenges and coordination structure (i.e., roles and responsibilities and funds distribution).

In general, the IOUs and RENs were dissatisfied with their experiences coordinating with the Campaign. According to Key Stakeholders, meetings and communications with CSE were not collaborative in nature. For instance, one stakeholder mentioned that they rarely saw evidence that CSE considered their feedback and another stakeholder reported that CSE does not provide reasons for why they did not incorporate feedback. Three stakeholders mentioned that the quarterly stakeholder meetings felt very "top-down" (i.e., CSE tells the stakeholders what to do) rather than collaborative. As one stakeholder put it regarding a request from CSE for a marketing effort:

"We didn't have any role in the planning, there was no kind of, you know, consensus-building before. It was 'this is what you're going to do'. So, we had no say [...] in the creative process."

Our observations align with this assessment. We observed that the meeting agendas often were comprised predominately of updates from CSE, including progress-to-date and plans for future activities, and then a small discussion period occurred at the end. During this discussion period, we noted that disagreements on collateral frequently arose, with several stakeholders commenting that their feedback did not appear to be

incorporated. However, this discussion period was often not long enough to fully address concerns, and debates were tabled for follow-up communications.

As structured, CSE controls the marketing funds and grants allotments to the IOUs and RENs for ad-hoc marketing efforts. For instance, about \$50,000 was provided to one IOU to send postcard advertisements. Many stakeholders expressed frustration with this role as they did not have the funding or staff resources to fulfill the expectations of CSE or the CPUC, ultimately limiting their marketing efforts to low/no-cost efforts that leverage other marketing campaigns (e.g., adder messaging about REEL on program marketing materials). As one stakeholder put it, this lack of funding results in a missed opportunity to leverage credible messaging from the IOUs:

"There's a real powerful opportunity for the ability to grow these programs, obviously we're household names in our territories, established, and recognized, and trusted brands [...] We are often getting asked about what we're doing and about why we're not doing more, and to-date [...] we haven't really because that's not really the role we've been assigned or funded for."

Two stakeholders also mentioned that they do not have adequate resources to meet all the coordination (e.g., calls) and feedback expectations from CSE. One example given by Key Stakeholders was that they were given only 48 hours to review and comment on the 2014 CSE Marketing Plan, which was several hundred pages long.

Feedback on Market Facilitation Strategy

All Key Stakeholders were supportive of the overall strategy the Campaign has chosen, specifically the idea of using local networks and credibility of the IOUs and RENs to reach customers. Three stakeholders mentioned that financing ME&O was particularly valuable as add-on messaging to local programs.

"I think the strengths are utilizing the local partners in order to get the message customized to the different communities. I think that works well. To be able to leverage another program such as home upgrade that [financing] can be stacked upon."

"The strength lies in that [the IOU] knows its customers better than CSE and we have relationships with customers and we have brand recognition with our customers and there's a level of trust with us, they know who we are."

However, several stakeholders stated that, while the underlying theory is strong, the structure of roles and responsibilities set forth by the CPUC has made implementation challenging. As mentioned earlier, several stakeholders felt that they did not have the resources, funds, or creative control to adequately play their part as local messengers.

"If you're asking me where the problem is, it's having a statewide implementer conduct local marketing when they aren't a subject matter expert on our actual customer segments, and they're not in the trenches, so to speak, with the customer base."

Some stakeholders also expressed concern with the messaging strategy the Campaign used in consumer-facing materials. One stakeholder suggested that the messaging focuses too much on the loan product, rather than on the value of home energy upgrades and REEL as a way to pay for them. Two stakeholders suggested that CSE did not do enough formative market research or alpha testing to understand the customer and contractor journey and how best to position REEL as a solution for home upgrade needs.

Feedback on Campaign Activities

Stakeholders generally had mixed feedback on the Campaign's marketing activities. The stakeholders found the CHEEF to be a valuable central hub for information on REEL (and future pilots) and that it lent credibility to the product. As one stakeholder reported:

"The CHEEF has been important to establishing a level of credibility for the finance pilot."

However, stakeholders were less aligned when it came to the Go Green Financing website (and the FCS tool within it). The RENs, comprised of local governments, saw value in Go Green Financing as an unbiased resource on financing options.

"I've heard from local government staff, especially cities, that they really like the Go Green Financing messaging since it doesn't promote one product over another and local jurisdictions should remain neutral in recommendations to homeowners."

The IOUs, on the other hand, reported that the Campaign's dual goals of marketing REEL and general energy efficiency financing have created roadblocks to coordination. Several IOUs mentioned that there are legal concerns to using ratepayer funds to support Go Green Financing, as it promotes non-ratepayer programs and potential competitors to REEL (e.g., PACE). During our observations of stakeholder meetings, we noted this issue came up frequently during discussion of collateral and whether the IOUs would be willing to co-brand with CSE.

Stakeholders also had mixed feedback on the Campaign's contractor engagement strategy. For instance, one stakeholder felt video marketing was not valuable at all, while another thought using videos had some value as an alternative to asking contractors to take time out of their day to attend a webinar training. Stakeholders noted that the recent changes to contractor outreach, which offer more customized and in-person support, are steps in the right direction, and emphasized the importance of continuing to make it easy for contractors to close REEL loans in order to compete with other financing products like PACE (which we highlight in the contractor survey findings in Section 4.3.2).

"If we can create a program that's simple and easy to use, then we can more effectively engage contractors in encouraging their participation, but in absence of that, or while we're working on that, having someone that's able to help a contractor, walk them through, navigating the program and accessing the different resources that are available, whether it be training or collateral, and then following up with them to understand what their experiences are [...] I think is going a long way."

Stakeholders saw the least value in the Co-op Marketing collateral and none of the stakeholders mentioned using the collateral outside of specific marketing requests from CSE. In most cases, stakeholders don't use the collateral because they disagree with the messaging and "creative" (i.e., look and feel). In a few cases, stakeholders said they avoid distributing paper collateral due to their organization's sustainability policies.

Feedback from CSE

We also asked CSE to provide their perspective on how coordination has gone to date. In general, CSE acknowledged that CSE and the key stakeholders struggled with the dual CPUC mandate of marketing both general energy efficiency financing and the CHEEF pilots. According to CSE, the IOUs were uncomfortable promoting non-ratepayer products that compete with the Statewide Pilots, while local governments and RENS preferred to point constituents toward resources that provided choice and also addressed their local PACE programs, where applicable. These conflicting preferences and lack of clarity on where CSE should prioritize their efforts exacerbated a coordination effort that was already inherently difficult simply due to the larger number of decision makers at the table.

While most Key Stakeholders were satisfied with the CHEEF website, CSE saw some opportunities for improving the design. Their feedback included that the website seemed "disjointed" in that it's framed as a one-stop source for information all Financing Pilots, but focuses on REEL because it's currently the only one available. Further, they mentioned that having the REEL webpage buried within the CHEEF is not aligned with marketing best practices and has the potential to confuse customers if they view Strategic Partner-focused webpages or pages on other Finance Pilots. CSE notes that, since conclusion of this study, they have implemented changes to address these issues, such as updated use navigation structures and webpage templates.

4.3.2 Contractor Feedback

Contractors are the primary channel for identifying customers that have a need for home upgrades and, in a crowded marketplace like California, these contractors have a plethora of energy efficiency financing solutions to offer their customers. This makes it critical that the Campaign not only provide contractors with the training and tools to knowledgably promote REEL, but also with an ongoing support system to make REEL a fast and easy option compared to other products.

Our survey with 23 REEL-certified contractors indicate that CAEATFA's on-boarding training is succeeding in teaching contractors about the basics of REEL, but may have some room for improvement in terms of length, clarity, and complexity. However, respondent contractors seemed to find little value in the Campaign's marketing support. Respondent contractors preferred simpler resources, such as a website, a person to call, and simple handouts. Notably, this survey was completed in March 2017. Since then, the Campaign has significantly revised its contractor support strategies in a way that better aligns with surveyed contractors stated needs.

Based on survey results and our review of contractor websites, contractor promotion of REEL is still lagging significantly behind PACE. Surveyed contractor generally felt that PACE had simpler application and

qualification processes. However, they did see some value of REEL over PACE in terms of measure eligibility requirements. This may be an important strategic marketing opportunity to help REEL compete with PACE.

We summarize our key findings below. For more detail, including a topline of survey results, please see the interim memo in Appendix A

Contractor Training and Marketing Support

Overall, respondent contractors were satisfied with the REEL Program Compliance Training Webinar provided by CAEATFA, giving the training webinar an average score of 7.17 on a scale from 0 to 10, with 10 being “very satisfied” as shown in Table 13. Most respondent contractors (61%) gave scores of 7 or higher indicating that the REEL Program Compliance Training Webinar was informative, easy to follow, and thorough. There is, however, room for improvement as 13% gave low scores (between 0 and 3) and 26% gave moderate scores (between 4 and 6). Contractors who found the training webinar too complex and lacking in clarity primarily contributed to the low scores.

Table 13. Contractor Satisfaction with Training Webinar

Response	Count	Percent (n=23)	Reason for Rating (n=11)
0-3 Scores	3	13%	<ul style="list-style-type: none"> • The webinar lacked clarity and did not help in understanding REEL. (n=1) • There were technical issues during the webinar. (n=1)
4-6 Scores	6	26%	<ul style="list-style-type: none"> • “It seemed that the program was evolving and not completed.” (n=1) • The webinar was informative yet complex. (n=1)
7-10 Scores	14	61%	<ul style="list-style-type: none"> • The webinar was informative. (n=4) • There were technical issues during the webinar. (n=1) • Lack of standardization between counties in terms of qualifying energy efficient upgrades or measures. (n=1) • The webinar training was easy to follow and thorough. (n=1) • “It appears to be a good financing opportunity for my customers.” (n=1)
Total	23	100%	
Mean	7.17		

Note: Responses enclosed in quotation marks are verbatim responses from the respondent(s).

* Twelve of the 23 respondents indicated that they had “Nothing to add”.

Source: MEO Finance Study Contractor Survey Memo, May 2017.

The training webinar effectively communicates the REEL terms, participating FIs, and credit eligibility to contractors effectively as shown in Table 14. The training webinar was also effective in encouraging the respondent contractors to enroll in REEL. However, the training webinar could improve its communication regarding the marketing support available or the participation process, including qualification requirements and the application procedures.

Table 14. Clarity of Contractor Training Topics (n=23)

Training Topics	Clarity Scores			I do not recall this topic at all	Mean
	0-3 Scores	4-6 Scores	7-10 Scores		
The credit eligibility requirements (i.e., income, credit score) for REEL loans	4%	22%	74%	-	7.87
The details of REEL loan terms (i.e., interest rates, durations, max/min amounts)	13%	9%	78%	-	7.78
The FIs who offer REEL loans	9%	17%	70%	4%	7.77
The measure eligibility requirements for REEL loans	13%	17%	65%	4%	7.23
The key benefits of REEL loans compared to other financing options	13%	22%	65%	-	7.13
The loan application process for REEL	13%	26%	61%	-	6.87
The websites available for contractors and customers	22%	9%	61%	9%	6.81
The marketing support available to contractors	13%	26%	52%	9%	6.71

Note: Means are based on valid responses and exclude those who do not recall the topic.

Source: MEO Finance Study Contractor Survey Memo, May 2017.

As discussed earlier in Section 4.2.2, many contractors are not taking advantage of the Campaign's marketing support (i.e., Co-Op Marketing and the Video Training). The survey provided similar results, as shown in Table 15 below, though we found that many contractors had had at least visited the CHEEF website.

Table 15. Surveyed Contractors Use of Campaign Information and Support (n=23)

Action	Percent Who Took Action
Visited the CHEEF website	70%
Visited the Go Green Financing website	30%
Redeemed points for co-branded marketing materials (Co-Op Marketing)	13%
Shared the FCS Tool with your customers	4%

When asked about the types of marketing tools or resources that would most help them educate their customers regarding the REEL Program, respondent contractors most often mentioned much simpler resources than the Co-Op Marketing and Video Training efforts, such as handouts or flyers, a website, and having a point of contact or a person to call and ask about the REEL program (57%), among others. Notably, the Campaign's current efforts, including the CHEEF website and their one-on-one contractor support already address some of these preferences. The Campaign also offers a variety of handouts, such as a FI fact sheet that contractors can easily access on the CHEEF website.

Table 16. Surveyed Contractors' Preferred Marketing Support (Multiple Response: n=23)

Response (Multiple response)	Count	Percent
Handouts or flyers	17	74%
Website	14	61%
Someone who you can call to ask questions about REEL	13	57%

Response (Multiple response)	Count	Percent
Customer-facing marketing campaigns from the California energy companies	10	43%
Customer-facing marketing campaigns from the State of California	10	43%
Better information	1	4%

Contractor Promotion of REEL

Most contractors (78%) promote multiple options, but PACE is by far the most popular option, as shown in Table 17. Contractor promotion of REEL has been limited so far, especially when compared to their promotion of PACE. A review of the 134 contractor websites indicate that 8% of contractor websites promote REEL, while 42% promote PACE.¹⁷ This finding is not surprising, given that PACE has been in the market for some time (while REEL is relatively new) and, thus, many of these contractors were already supporting/promoting PACE prior to enrolling in REEL. Some PACE programs or participating FIs also give an attractive incentive to contractors for each PACE loan they close¹⁸ which is a major motivation for these contractors to actively promote PACE. Finally, PACE has a much simpler application process compared to how REEL was presented at the time of these webinar trainings.

Table 17. Contractor Promotion of Financing Options (Multiple Response: n=23)

"Which of the following financing options are you promoting to your customers?"	Count	Percent
PACE	19	83%
Traditional fixed-term loans from bank or credit unions (no energy-related requirements)	13	57%
Energy efficiency fixed-term loans from banks or credit unions besides REEL	10	43%
REEL	8	35%
HELOC	5	22%
Other	4	17%
I do not promote any financing options	1	4%

In the survey, we asked contractors who are aware of both products (n=21) to compare REEL and PACE. These contractors typically found PACE to be more attractive in terms of application and qualification processes. However, some contractors do perceive REEL as having better measure requirements, such as the ability to finance non-energy-related measures.

¹⁷ According to the REEL Contractors List accessed on CAEATFA's website last August 1, 2017, there were 134 REEL-certified contractors as of July 28, 2017. Opinion Dynamics reviewed these REEL-certified contractors' websites to determine whether they promote REEL or other financing options.

¹⁸ For instance, Renew Financial offered up to a \$250 incentive to contractors for closing CaliforniaFIRST PACE loans in June 2015: <https://renewfinancial.com/news/two-new-incentives-launched-la-gets-ready-pace>

Table 18. Surveyed Contractors' Comparison of REEL and PACE (n=21)

Finance Attribute	PACE Is More Attractive	PACE and REEL Are Equally Attractive	REEL Is More Attractive	Don't Know
The ability to finance non-energy-related improvements	5%	19%	43%	33%
Financing fees paid by customers	19%	19%	38%	24%
Interest rate	33%	29%	24%	14%
The need for collateral	24%	29%	19%	29%
Credit eligibility requirements (i.e., income, debt-to-income, financial history)	48%	24%	14%	14%
Loan duration	33%	33%	14%	19%
Measure eligibility requirements	33%	43%	14%	10%
The time it takes to see if a customer will qualify for the loan	57%	14%	5%	24%
The effort required to fill out required paperwork	57%	14%	5%	24%
Maximum loan amount	38%	33%	5%	24%

Note: Does not include two respondents who are unaware of either PACE or REEL

4.3.3 FI Feedback

As of July 2017, there were four FIs that offered REEL. Two FIs, California Coast and Matadors Credit Unions, are statewide lenders. The other two, Valley Oak and Desert Valley Credit Unions, serve specific regions. Being the final touchpoint to close loans, coordination and training for FIs, done primarily by CAEATFA, is critical to achieving consistent messaging and avoiding customer confusion about REEL. Additionally, with their knowledge and experience to sell financing, FIs also have the potential to be useful marketing partners for the Campaign.

Based on our in-depth interviews with these organizations and review of the Monthly Metrics sheet, the FIs have been active partners in promoting REEL to customers but have had little to no involvement in promoting Go Green Financing or the FCS Tool (i.e., because it promotes competing products). FIs report that the Campaign has been generally supportive of their needs and that they have seen an uptick in customer interest in energy efficiency financing, especially after the Summer Marketing Campaign launched. However, they have found little value from Co-Op Marketing materials in terms of generating leads. Further, the Campaign does not appear to have taken advantage of the FIs' finance marketing expertise, and some FIs would prefer a more customized and collaborative approach to developing marketing efforts. Finally, the spread of REEL-qualified contractors across FI territories has been uneven to-date, which has contributed to low REEL participation for the regional FIs. We provide more detail on these findings below.

FI Promotion of REEL

The FIs have been active partners in promoting REEL. All four organizations promote REEL on their websites through web links to the CHEEF website. They have also registered on the Co-Op Marketing service and, as shown in Table 9, have distributed co-branded materials, such as postcards and posters.

Table 19. Campaign-Supported Activities and Results by FI

FI	Activity	Reach
California Coast	<ul style="list-style-type: none"> Email blast in February 2017 Direct mail (postcards) February 2017 	<ul style="list-style-type: none"> Mailed postcards to 2,084 members Sent emails to 2,400 members, 510 of whom opened the email received
Matadors	<ul style="list-style-type: none"> Direct mail (two postcards) Posters 	<ul style="list-style-type: none"> Mailed postcards to 5,000 members
Valley Oak	<ul style="list-style-type: none"> Direct mail (flyers to be sent out in August 2017) 	<ul style="list-style-type: none"> To mail postcards to 7,000 (Early Fall 2017)
Desert Valleys	<ul style="list-style-type: none"> Direct mail campaign in January 2017 	<ul style="list-style-type: none"> Mailed collateral to 5,466 members

Sources: FI Interviews in August 2017 and Financing MEO Metrics Report July 2017

In addition to distributing Co-Op Marketing materials to their members, the FIs also respond to members' inquiries regarding REEL during inbound customer service calls. Three of four FIs also conduct additional marketing activities to promote REEL. One FI promotes REEL through social media as well as blog posts, another FI runs REEL specific banner ads on their website, and yet another FI has created their own print marketing materials and advertised local movie theater and radio stations. Metrics on the results of these activities were not available.

The FIs have done little to no promotion of Go Green Financing. This is to be expected since Go Green Financing potentially supports competing loan products. Notably, one FI did include the Go Green Financing on a printed flyer.

FI Feedback on Campaign Marketing Support

When asked to rate the support they receive from the Campaign in terms of helpfulness, three FIs gave scores of 6 and one FI gave a score of 8, on a scale from 0 to 10, where 0 is "not at all helpful" and 10 is "extremely helpful". The FIs said that the Campaign has been generally supportive, particularly when they first joined the REEL Program, and that CSE staff have been responsive when they had questions or concerns. One FI noted,

"They were very supportive in the beginning with the marketing. We have a full pull up banner in our lobby. They gave us magnets and brochures and they were very supportive [...] They were on board with trying to get us going. I just didn't think the materials were really what drew people."

Additionally, three of the four FIs have reported that they have seen an increase in calls about energy efficiency financing since the Campaign launched. One FI noted that there has been some increase in customer inquiries regarding energy efficiency financing, however, residents in their service area are hesitant to invest in their properties as their local market is still recovering from the housing market crash. Notably, two FIs mentioned that there was a considerable uptick in inquiries following the Summer Marketing Campaign (see Section 4.2.3). One FI indicated that, while they do not have the actual counts, the number of inquiries regarding energy efficiency financing has doubled since the Summer Marketing Campaign began. Most of the inquiries they received were specific to financing heating and cooling equipment. The other FI who noted seeing an

increase in energy efficiency financing noticed a considerable improvement in inquiries as well as loan applications.

However, the FIs reported that the marketing activities using Campaign Co-Op materials have not been successful, as they have generated very few leads. Further, only one FI uses any Campaign digital advertising (a co-branded video) and only one FI uses the CHEEF logo on their REEL webpage. The FIs indicated that the Campaign materials and messages within are generic, not very informative, and do not draw much interest from their members. For instance, one FI noted,

"What was being direct mailed didn't draw interest to the program or cause it to suddenly gain interest [...] It's just the materials were stock generic materials. I understand they're saying this is creative marketing but the Save Energy California campaign was not - I guess I didn't see it as this appealing brand approach."

Another FI mentioned that the materials were "*not inviting*". When asked for suggestions to improve the program, several FIs indicated that they would like to play a larger role in designing marketing efforts and collateral in the future. For instance, FIs suggested having more collaboration on messaging and enabling FIs to create custom materials by providing editable versions and specific formatting requirements (e.g., character limits, file size, etc.)

As mentioned earlier, one FI created custom print marketing materials, which we compare to example a Co-Op Marketing flyer in Figure 9 below. While the Co-Op Marketing flyer contains the CHEEF logo and a slightly more aesthetic finish, it uses more than half of the flyer with a large photo and poem, with some program information in small lettering at the bottom. Conversely, the FI's flyer focuses, in large lettering, on the key things customers need to know about REEL. Further, both flyers contain information on the energy efficiency measures that REEL can finance, but only the FI flyer drives home the point that 30% of the loan can be used to pay for non-energy-related measures (e.g., landscape). According to this FI, this is a crucial selling point of the program that the Co-Op Marketing material is missing.

Figure 9. Comparison of Campaign and FI Custom-made Marketing Materials

Campaign Co-Op Marketing Flyer

FI Custom Flyer



FI Feedback on Contractor Support

All four FIs indicated that contractors should be more active in selling REEL and that there should be more coordination between contractors and FIs. Some FIs specifically mentioned that it would be helpful if the Campaign encouraged contractors to refer customers directly to the appropriate REEL FIs and if the Campaign materials could remind customers of the FIs in their service areas. One potential way to achieve this is if the Campaign encouraged contractors to use the Lender Chart more often, which is a one-page flyer that compares the REEL offering and requirements from each lender (see Figure 10 below). We asked contractors about this chart specifically in the survey. On average, they gave it a score of 7.7 out of 10, where 10 is "very helpful", in terms of its usefulness for educating customers about the lenders (n=23). Further, 83% (19 of 23) said that this chart had all the information they need.

Figure 10. REEL Lender Comparison Chart

Residential Energy Efficiency Loan (REEL) Lenders

Apply for a loan and start your REEL project today! More at : theCHEEF.com/reel



	California Coast	Desert Valleys [†]	Matadors	Valley Oak ^{††}
Lending Area	Anywhere in California	Indian Wells Valley and Searles Valley	Anywhere in California	Tulare County and Madera County
APR* <i>(as of April 10, 2017)</i>	5.88% to 7.88%	4.50% to 8.50%	5.99% to 7.99%	7.45% to 9.95%
Loan Size	\$2,500 - \$50,000	\$2,500 - \$50,000	\$2,500 - \$50,000	\$1,500 - \$50,000
Credit Union Membership Fee (one-time)	Waived	\$5	Waived	\$5
Property Type	Single Family 1 to 4 residential units	Single Family 1 to 4 residential units	Single Family 1 to 4 residential units	Single Family 1 to 4 residential units
Minimum FICO	600	580	640	580
100% Financing <i>(No Cash Needed)</i>	✓	✓	✓	✓
No Closing Costs, No Annual Fees	✓	✓	✓	✓
Collateral	None	None	None	None
Term: Up to 15 years	✓	✓	✓	✓
Pre-Approval	Instant pre-approval for loans up to \$25,000	Within 24 hrs**	Within 24 hrs**	Within 24 hrs**
Contact Info	(858) 636-3048 Ray Chapman energy@calcoastcu.org	(866) 743-6497 Eric Bruen REEL@desertvalleys.org	(818) 993-6328 x248 Joseph Cortez energy@matadors.org	(559) 688-5996 x2315 Kiersty Vaughan kvaughan@valleyoak.org
Apply online	calcoastcu.org	desertvalleys.org	matadors.org	valleyoak.org

Lender profiles are available for download and/or print at: thecheef.com/lender-chart

* APR = Annual Percentage Rate. Rates are subject to change at any time. Check with lender for the most up-to-date rate information. ** During normal business hours. † Desert Valleys also can lend to parts of Kern, Inyo and San Bernardino counties. Please see Desert Valleys' website for membership details. †† Valley Oak also can lend to select employee groups in Kings and Fresno counties. Please see Valley Oak's website for membership details.

Source: <http://www.thecheef.com/reel-lenders>

Further, there is a limited number of REEL-qualified contractors available in the regional FI's service areas, which they suggested may be contributing to the lack of loan applications.

Table 20 below shows the number of REEL-qualified contractors in each FI's service area.

Table 20. REEL-qualified Contractors and Closed Loans by FI (as of July 2017)

FI	Number of REEL-qualified Contractors
Statewide	
California Coast	134
Matadors	134
Regional	
Valley Oak*	11
Desert Valleys**	36

Notes:

* Valley Oak Credit Union serves residents of Tulare County, Madera County, and a few employer groups in the cities of Kings and Fresno.

** Desert Valleys Federal Credit Union serves residents of San Bernardino, Indian Wells Valleys, Kern, Inyo, and Searles Valley.

Sources: "REEL Contractors List". California Alternative Energy and Advanced Transportation Financing Authority. <http://www.treasurer.ca.gov/CAEATFA/cheef/reel/index.asp> (Date Accessed: August 1, 2017).

"Residential Energy Efficiency Loan (REEL) Program Lenders". California Hub for Energy Efficiency Financing. <http://www.thecheef.com/reel-lenders> (Date Accessed: September 21, 2017).

5. Conclusions and Lessons Learned

This evaluation of the Campaign's kick-starting efforts explored how well the Campaign engaged with Strategic Partners, including IOUs, RENs, contractors and FIs, to help market REEL and energy efficiency financing in general. Based on the evaluation results, we conclude that the following efforts were received well:

- The Campaign has developed a strong core theory of market facilitation with a clear path for reaching the customer. The Campaign has also incorporated a good mix of Strategic Partners into its strategy, including credible messengers and market actors who can identify target customers and offer them financing solutions.
- CSE's showed adaptability in response to feedback and policy changes. CSE attempted several activities that did not resonate well with various stakeholders (e.g., video training modules for contractors) and quickly modified efforts in response (e.g., creating a program concierge model for contractors and their rebranding efforts in the wake of the de-coupling of the Campaign from Energy Upgrade California®).
- Early signs from the 2017 Summer Marketing Campaign are promising as it drove increased visitation to Campaign websites and marketing support resources. The Campaign employed digital and social media advertising, e-mail blasts, and search engine marketing activities. The click-thru rates (CTRs) from these efforts met or exceed industry standards and drove increased traffic to both websites and Strategic Partner marketing support.
- FIs report that the Campaign has been generally supportive of their needs and that they have seen an uptick in customer interest in energy efficiency financing, especially after the Summer Marketing Campaign launched.
- The CHEEF website performed well. This website provides information to customers, contractors, and FIs on REEL and other Statewide Financing Pilots. Website visits have steadily increased since Campaign launch; the bounce rate¹⁹ stayed low and relatively stable for the first year.
- Based on our review of the data available, the Evaluation Team determined that the fundamental data tracking systems are in place to assess Campaign progress towards its goals. The Campaign has several highly-detailed tracking systems in place to support evaluation, including a monthly metrics report with key performance indicators (KPIs) for each campaign activity, a monthly budget tracker, and a day-to-day marketing activity tracker.

Conversely, the following efforts need some attention:

- According to Key Stakeholders, meetings and communications with CSE were not collaborative in nature. This included communication during Stakeholder Meetings as well as responsiveness to feedback on marketing collateral. Our observations align with this assessment. Meeting agendas often were comprised predominately of updates from CSE, including progress-to-date and plans for future

¹⁹ The "bounce rate" is the percentage of visitors who leave the website after viewing only one page.

activities, and then a small discussion period occurred at the end. During this discussion period, we noted that disagreements on collateral frequently arose, with several stakeholders commenting that their feedback did not appear to be incorporated. However, this discussion period was often not long enough to fully address concerns and debates were tabled for follow-up communications.

- We also asked CSE to provide their perspective on how coordination has gone to date. In general, CSE acknowledged that CSE and the key stakeholders struggled with the dual CPUC mandate of marketing both general energy efficiency financing and the CHEEF pilots. According to CSE, the IOUs were uncomfortable promoting non-ratepayer products that compete with the Statewide Pilots, while local governments and RENS preferred to point constituents toward resources that provided choice and also addressed their local PACE programs, where applicable. These conflicting preferences and lack of clarity on where CSE should prioritize their efforts exacerbated a coordination effort that was already inherently difficult simply due to the larger number of decision makers at the table.
- The Campaign is currently underutilizing the marketing expertise of the IOUs, RENS, and FIs. As structured, the Campaign controls the marketing funds and grants allotments to the IOUs, RENS, and FIs for ad hoc marketing efforts using co-op marketing materials. Many Strategic Partners expressed dissatisfaction with the creative (i.e., "look and feel") and messaging of the co-op marketing materials. Further, many IOUs expressed frustration with this role as they did not have the funding or staff resources to fulfill the expectations of the CPUC, ultimately limiting their marketing efforts to low/no-cost efforts that leverage other marketing campaigns. Some FIs also expressed a desire for a more customized and collaborative approach to developing marketing efforts.
- The Go Green Financing website has not attracted much customer interest, as shown by bounce rates between 62% and 94%. This website was intended as an unbiased resource that promotes general awareness of energy financing options. This indicates that most customers are not exploring the website further after they visit the home page. This website had more visitors overall compared to the CHEEF website, though the bounce rate has been extremely high, and few customers visited pages on financing options. Go Green Financing was a sticking point for the IOUs in that it inherently supported non-ratepayer products, while the RENS found it to be a valuable tool for local governments to serve their constituents.
- Co-op marketing has had little uptake, indicating that Strategic Partners were not very engaged or motivated by the offering. About half of registrants (85 of 161) have placed orders for materials. FIs have also found little value from Co-Op Marketing materials in terms of generating leads. Further, the Campaign does not appear to have taken advantage of the FIs' finance marketing expertise, and some FIs would prefer a more customized and collaborative approach to developing marketing efforts and collateral.
- Contractors were not interested in taking the video training on how to market financing and the REEL product to their customers. Of the 434 unique visitors to the training websites, 12% completed the training courses.

5.1 Key Lessons Learned for Future Finance ME&O

- **Go Green Financing:** CSE's mandate to promote general energy efficiency financing awareness presents a challenge for collaboration with some Key Stakeholders. The RENs, comprised of local governments, saw value in Go Green Financing as an unbiased resource on financing options. The IOUs, on the other hand, reported that the Campaign's dual goals of marketing REEL and general energy efficiency financing have created roadblocks to coordination. Several IOUs mentioned that there are legal concerns to using ratepayer funds to support Go Green Financing, as it promotes non-ratepayer programs and potential competitors to REEL (e.g., PACE). During our observations of stakeholder meetings, we noted this issue came up frequently during discussion of collateral.
- **Coordination with Key Stakeholders:** The Campaign's market facilitation approach required large-scale coordination and communication with several different Strategic Partners, including CAEATFA, IOUs, RENs, contractors, and FIs. This presents a challenge in and of itself, as each Partner has its own customer base or constituents, interests and marketing budget. In general, the Key Stakeholders were dissatisfied with their experiences coordinating with CSE on the Campaign. A best practice in approaching each stakeholder is to hold collaborative meetings where both parties can bring ideas to the table while minding the unique strengths that each party brings, e.g., knowledge of how to speak to their specific customers/region versus knowledge of how to position and brand energy efficiency financing.
 - Notably, since the conclusion of this study, CSE has implemented several changes to the collaborative process. These changes include, for example, advance notices of planned Campaign changes to enable collaborative discussions on planned changes, providing anticipated deliverable timelines and review schedules across several months to accommodate stakeholder schedules, and "round robin" discussions of stakeholder feedback to identify consensus. CSE also notes that they are increasing their efforts to leverage the marketing expertise of the IOUs, CAEATFA, and FI marketing leads.
- **Supporting Contractors:** Contractors need a person to call and discuss financing options. This turned into the Campaign's program concierge model per contractor request. In response to low contractor interest in REEL marketing support, CSE began providing additional one-on-one outreach and support to contractors through program representatives assigned to each REEL-certified contractor. Notably, there has been a large uptick in new contractor enrollment and closed REEL loans following the new engagement strategy.
- **Video Training:** Video training for contractors is costly and many contractors did not seem interested in receiving training on how to market financing in this manner. Surveyed contractors preferred simpler resources, such as a website, a person to call, and simple handouts. Notably, after CSE reviewed these survey results, the Campaign significantly revised its contractor support strategies in a way that better aligns with surveyed contractors stated needs. Contractors appreciate the REEL marketing collateral that provides simple fact sheets that aid conversation about the program and the participating lenders. The Lender Comparison Chart (see Figure 10) is an excellent example of such a handout. Notably, at the time of this report, the Video Training has been discontinued.

- **Launch Timing:** It is challenging, and potentially costly, to begin a marketing Campaign or recruiting contractors prior to the finalizing product details. This can lead to investment in collateral, websites, training materials, etc. that must be changed and re-worked several times to align with the product.
- **REEL Design:** Contractors' propensity to market REEL may have more to do with the REEL product than the marketing support available. Based on a survey with 23 REEL-certified contractors and a review of contractor websites, contractor promotion of REEL is still lagging significantly behind Property Assessed Clean Energy (PACE) programs. Surveyed contractors generally felt that PACE had simpler application and qualification processes. In addition, the spread of REEL-qualified contractors across FI territories has been uneven to-date, which has contributed to low REEL participation for the regional FIs. It is normal for new products to take time to gain traction in the market. However, the limited promotion of REEL among contractors, even among those who have taken the compliance training, signals the need to adjust the design of the product and/or the marketing support behind it. While this study was not meant to assess the design of REEL, it is clear based on contractor and Key Stakeholder feedback that design changes are necessary to make it competitive with PACE loans, which are the primary competition to REEL. Notably, in late March 2017, the CPUC released D. 17-03-26, which enabled CAEATFA to begin making some key changes to REEL's design. Specifically, CAEATFA has (1) loosened the measure requirements to enable customers to finance single measures, rather than requiring bundling and (2) explored partnering with a new FI that offers retail installment contracts (RICs), which will allow contractors to instantly approve customers.
- **Competition with PACE:** PACE is attractive to contractors for its ease and simplicity. In addition, contractors are highly motivated to promote PACE as it often compensates contractors for generating leads. For instance, Renew Financial had a promotion in June 2015 offering up to a \$250 incentive to contractors for closing PACE loans in June 2015.²⁰ For these reasons, contractors tend to market PACE over REEL. Contractors need help to compare PACE and REEL and emphasize the advantages of REEL over PACE.
- **CHEEF Website:** While most Key Stakeholders were satisfied with the CHEEF website, there are some opportunities for improving the design. The website can seem "disjointed" in that it's framed as a one-stop source for information all Financing Pilots, but focuses on REEL because it's currently the only one available. Having the REEL webpage buried within the CHEEF can be difficult to navigate and may confuse customers. Customers and contractors may appreciate a webpage dedicated to each financing Pilot with a website address that is easy to recall. There is value in a one-stop information hub for all Pilots like the CHEEF, but the target audience for this website should only be Strategic Partners, who may want to know about all the products available.

²⁰ <https://renewfinancial.com/news/two-new-incentives-launched-la-gets-ready-pace>

- **Data Tracking:** There are some opportunities to enhance data tracking in such a way that will assist in evaluating the Campaign's performance.
 - We recommend that the Campaign document quantitative KPI goals whenever possible. While the Campaign tracks many KPIs, it currently does not document goals against which the KPIs may be compared. Further, information on the achievements of Strategic Partner ME&O efforts is limited to outputs (e.g., number of e-mails sent) rather than results (e.g., CTR for e-mails). Notably, not all activities require quantitative KPIs or goals. However, in cases where a quantitative KPI is set (e.g., click-through-rate) a corresponding quantitative goal should be specified in the sheet (e.g., 1% click-through rate).
 - The budget tracker is set up to provide cost-per-reach metrics (e.g., cost-per-click, cost-per-attendee) for individual activities. However, we found that the Campaign only tracked cost-per-reach metrics for a few direct-to-customer activities, but not for websites, contractor outreach, and other types of efforts. Providing this data enhances the ability to assess whether the results of activities justify their investments (i.e., cost-effectiveness) and to identify opportunities for reallocating funds to more successful efforts. Innovative marketing efforts, such as FCS, or efforts that required large investments, such as video training or websites, would especially benefit from additional cost-per-reach analysis. In addition, collaborating with Strategic Partners to agree upon specific metrics they should track and provide after campaigns. Notably, this approach may be most appropriate with the IOUs, RENs, and the FIs, who have marketing departments or designated marketing staff.
 - Collect additional data on the results of Strategic Partner activities. While much of this information can be collected through primary research, collaborating with Strategic Partners to agree upon specific metrics they should track and provide after campaigns may reduce the overall evaluation burden on these organizations. Notably, this approach may be most appropriate with the IOUs, RENs, and the FIs, who have marketing departments or designated marketing staff.

Appendix A. Detailed Contractor Survey Results

The memo below provides the detailed findings and a topline of survey results from the REEL-enrolled contractor survey.



Memorandum

To: Kevin Feizi, California Public Utilities Commission; CPUC Finance Advisors; and CA IOUs

From: Opinion Dynamics Evaluation Team

Date: May 22, 2017

Re: REEL Program Contractor Survey Results

Overview

This memo describes the main findings from a survey of 23 contractors that enrolled in the Residential Energy Efficiency Loan (REEL) Financing Pilot as of March 2017. We conducted this survey as part of an ongoing process evaluation of the Financing Marketing Education & Outreach (ME&O) Campaign currently administered by the Center for Sustainable Energy (CSE). In summary, this survey showed that respondent contractors were satisfied with the REEL training provided by the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) overall, though it could improve its communication regarding the marketing support available or the participation process (qualification requirements and the application procedures). Most respondents have not taken advantage of the marketing support yet and some were not aware of it. Respondents mentioned several preferred types of marketing support, such as a person to call, a website, and handouts for customers. Notably, CSE's current effort to re-engage with contractors already addresses some of these preferences. Finally, this survey showed that, amongst these contractors, Property Assessed Clean Energy (PACE) financing is the primary competition for REEL, as most respondents are promoting PACE now and find it more attractive compared to their initial impressions of the REEL product. Notably, respondents did mention one specific advantage of REEL over PACE, which is the ability to finance non-energy-related measures. This feature may be a strong competitive advantage over PACE and a key strategic marketing opportunity for REEL.

Background

Training Content

As part of several efforts to launch REEL, the program administrator, CAEATFA held a number of Contractor Compliance training sessions starting in April 2016. The trainings were given via live webinar on a weekly basis. The main purpose of the webinars was to educate contractors on the REEL product and encourage them to enroll. The webinars lasted approximately 60 minutes and covered both the REEL product's characteristics and the Finance Marketing Education & Outreach (ME&O) support available to contractors from CSE.

Opinion Dynamics attended one webinar in February 2017. The majority of the training was focused on the REEL product, and covered the following topics:

- The California Hub for Energy Efficiency Financing (CHEEF) as the REEL program administrator on behalf of CAEATFA;



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- Overview of the REEL product, the participating lenders¹, and eligible energy efficiency measures (EEEMs);
- The benefits of REEL to customers and contractors;
- The application process, including eligibility and forms; and
- How to enroll as a qualified contractor.

The training also included several slides on the marketing support available to contractors, including:

- The CHEEF website's Contractor Finder Page (<http://www.thecheef.com/reel-contractor-finder>);
- The Go Green Financing (GGF) website, which provides customers with tools to find and select energy upgrade-related financing²;
- A video training series that provides a primer on marketing support available to contractors, basic types of financing, GGF, the REEL application processes, and how to sell financing to customers; and
- Co-op marketing, which is a points-based system for earning credits towards marketing materials co-branded with CHEEF/GGF.

After the webinar, respondents received a follow-up e-mail summarizing the benefits of REEL and providing a link to the REEL contractor enrollment website. Beginning in April 2017, CSE has reached out to contractors who enrolled in the program to introduce them to their "Dedicated Program Representative" who will assist them with completing REEL loans and accessing marketing support.

Contractor Engagement To-Date

As of March 2017, approximately 175 contractors have attended the webinars and 92 enrolled in REEL.³ Amongst the enrolled contractors, loans were limited at the time of the survey as only six contractors have submitted loans. Our survey shows that most REEL-enrolled contractors (70%, n=23) have at least visited the CHEEF website. However, engagement with other marketing training and support has been somewhat limited so far. For instance, according to CSE's tracking data, 24 contractors have registered on the video training website between December 2015 and March 2017, 16 have taken video training courses, and five have registered for co-op marketing.⁴

Purpose of the Survey

Opinion Dynamics, as part of its ongoing evaluation of the Finance ME&O Campaign, conducted a quick internet survey of the REEL-enrolled contractors to better understand the contractors' impressions of both REEL and the marketing support available. While the focus of the Finance ME&O process evaluation is on the Marketing Campaign, this survey explored impressions of the REEL product and the marketing support as both

¹ At the time of this survey, there were four lenders and all were credit unions: Matadors Credit Union, California Coast Credit Union, Valley Oak Credit Union, Desert Valley Federal Credit Union

² Notably, absent from the webinar was any mention of the Finance Concierge Service (FCS) Tool, one of the premier customer support services on the Go Green Financing website.

³ Source: Financing MEO Metrics Report March 2017 and a review of the list REEL-qualified contractors.

⁴ *ibid*



have an impact on contractor's acceptance of REEL. Therefore, the goal of this survey was to understand any issues with the REEL product or marketing support that might impede contractors' proclivity to help promote REEL alongside their home improvement services.

Opinion Dynamics collected feedback from REEL-enrolled contractors through April 2017 regarding the REEL program and marketing information they received to date. However, since the time of this survey, CAEATFA was in the midst of making changes to both the REEL product and the webinar training. In late March 2017, the CPUC released D. 17-03-26⁵, which enabled CAEATFA to begin making some key changes to REEL's design and marketing support. Specifically, CAEATFA has:

- Loosened the eligible energy efficiency measures (EEEMs) requirements to enable customers to finance single measures, rather than requiring bundling;
- Explored partnering with a new financial institution that offers retail installment contracts (RICs), which will allow contractors to instantly approve customers; this new potential partner also offers smart phone/tablet-enabled platforms that allow for rapid credit approvals and automatic form completion; and
- Begun developing new messaging for certain measures (such a cool roofs) to attract more non-HVAC-specific contractors and expand the current contractor pool.

Further, as mentioned earlier, CSE has recently initiated an effort to refocus its marketing strategy on customized, one-on-one support of REEL certified contractors via dedicated staff (in tandem with the launch of a consumer facing multi-media campaign co-branded with participating contractors). These changes address many of the issues highlighted from this contractor survey. Thus, it is important to consider these survey findings as a "snapshot in time" before these changes were initiated. Further, these webinars were initially rolled out to HVAC and building performance contractors and therefore the survey results represent the initial impressions of REEL and marketing support from these types of contractors. While there is no evidence of bias, survey results also represent the following:

- Contractors who are very familiar with the Energy Upgrade CA Whole House Program, 74% assisted customers with projects incented by the EUC program in 2016 or early 2017
- Contractors who have been in business serving residential customers for at least 10 years, 74% have been in business serving CA residential customers for at least 10 years
- A mix of different sized businesses; in terms of annual revenue, 52% earned more than \$1 Million in revenue last year and 39% earned less than \$1Million⁶. In terms of employee size, some are quite large as 22% have more than 20 employees up to a max of 300 employees and 57% were smaller sized companies with 2-20 employees⁷.

It is also important to note that, despite significant outreach efforts, we were unable to complete surveys with REEL contractors who closed any REEL loans. Thus, the feedback from contractors on the REEL product and

⁵ California Public Utilities Commission. D. 17-03-026. "Decision Addressing Energy Efficiency Financing Pilot Programs Originally Ordered in Decision 13-09-044". March 29, 2017.

⁶ The remainder would not answer the question.

⁷ Ibid.



processes are based on their initial impressions after the training rather than on actual experience with closing a REEL loan.

Lastly, to avoid possible duplication with Evergreen Economics' process evaluation of the IOUs' Statewide Financing Pilot marketing efforts, we did not survey contractors who took the CAEATFA training but did not subsequently enroll in REEL. While our survey results still provide valuable insight into the needs and concerns among REEL-enrolled contractors, it is important to note that REEL-enrolled contractors may have a more positive opinion about REEL compared to those who chose not to enroll.

Main Findings

Below we present main findings elicited from the survey data. Where relevant, we also include insights from a review of 88 REEL-enrolled contractor websites and insights from the evaluation team's observations after attending one webinar⁸. Following the main findings, there is a detailed topline of survey results by each survey question.

Impressions of REEL Contractor Compliance Webinar Training

Survey questions explored feedback on the webinar training itself, including satisfaction with the training, impressions of the live-webinar format for receiving the training, and how well the webinar communicated information about the product and marketing support available.

- The live-webinar format of the training seems to be the preferred format for learning about REEL (48%), though some (35%) would prefer email communication. CAEATFA may consider what information from the webinar may be best delivered via email and prioritize topics that are best delivered via the live-webinar format.
- Most contractors had a favorable view of the training itself (average score of 7.1 out of 10, on a 0-10 scale with 10 being "very satisfied"). The majority of contractors (61%) gave scores of 7 or higher indicating that it was informative, easy to follow, and thorough. One contractor stated, "It appears to be a good financing opportunity for my customers". However, there is room for improvement as 13% gave low scores (0-3) and 26% gave moderate scores (4-6). Low scores were primarily driven by contractors stating the webinar was too complex and lacked clarity.
- One contractor stated that the webinar presented the REEL product in a way that made it seem not quite finished or ready to go-to-market, saying "*it seemed like the program was evolving and not completed*". This may be one of the reasons for why loans have been slow to accumulate from this group of contractors. They are waiting for a finished and easier product to support.
- Contractor survey results align with the Evaluation Team's own impressions of the webinars. Based on observation, the webinar appeared informative and easy to understand, however, attendees did not have much opportunity to interact apart from the Question and Answer portion at the end. It also lacked more specific information regarding the loan application process and project eligibility requirements, and while the presentation explicitly states that it is important to follow the (compliance) rules, there was no clear or detailed discussion of those rules.

⁸ Opinion Dynamics evaluation staff participated in a webinar to observe and have a better sense of what the webinar trainings entailed.



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- The training seemed to be effective in making people aware that there is a REEL program; specifically communicating the REEL terms and lenders and credit eligibility. It was also effective in encouraging these specific contractors to enroll in REEL. However, it was not very effective in communicating the marketing support available or the loan participation process (qualification requirements and the application procedures) which could explain why these contractors have not engaged much in the ME&O campaign or enrolled loans yet. Contractors scored the webinar's clarity of information on marketing support and the websites available moderately (mean scores were 6.7 and 6.8, respectively, on a 0-10 scale where 10 is "very clearly" communicated). Further, scores on the clarity of measure eligibility requirements and loan application process information were moderate as well (mean scores were 7.2 and 6.9, respectively), indicating room for improvement. However, it is difficult to tease out whether the clarity issues were in how the product information was communicated versus issues with the product itself.

Impressions of the REEL Product

The survey also explored contractor knowledge and impressions of the REEL product after attending the training. As noted above, based on CAEATFA's presentation, some contractors perceived the application process and eligibility requirements (specifically the variation across counties for measure eligibility, bundling and modeling requirements) as too complex. Among those who said they do not promote REEL at all (n=15), respondents mentioned hesitancy to promote a relatively new product (53% said they prefer to promote a product they or their customers are more familiar with), A third mentioned that they do not think their customers would be interested in REEL.

We asked contractors to rank three potential changes to the REEL product that would make it more attractive to them. More than half (57%) selected "the ability to qualify customers instantly via a website, phone call, or smart phone application" as their top choice. Lowering the interest rate was the most common second choice (52%) and "the option to receive a portion of the loan amount upfront to pay for project start-up costs" ranked third.

Even though these contractors have yet to submit a REEL loan, survey results indicate that supporting the REEL product will help enrolled contractors better sell their services. After the training, the surveyed contractors enrolled in the REEL pilot. When asked why they enrolled, the most common reasons were to gain new customers (57%), learn about all the energy efficiency financing options available to their customers (52%), and because they think their customers need financing to complete energy efficient projects (48%). This suggests that more contractors will promote and sell REEL loans once some of their product concerns are addressed.

REEL in Context of Other Financing Options

The survey also measured contractor awareness of other energy efficiency financing offerings available to customers, and which offerings are promoted and favored. The vast majority (91%) of contractors are aware of PACE, 83% are aware of home equity lines of credit (HELOCs), and 65% are aware of other terms loans with energy-related requirements (besides REEL). Most contractors (78%) promote multiple options, but PACE is by far the most popular option (83% promote it). Contractor promotion of REEL has been limited so far, especially when compared to their promotion of PACE. About one-third (35%) are promoting REEL in some capacity. A review of websites of 88 REEL-qualified contractors revealed that 38% were promoting PACE on their websites; while only 7% were promoting REEL on their websites. This is not surprising, given that PACE has been in the market for some time (while REEL is relatively new) and, thus, many of these contractors were already supporting/promoting PACE prior to enrolling in REEL. Some PACE programs or participating financial



institutions also give an attractive incentive to contractors for each PACE loan they close⁹ which is a major motivation for these contractors to actively promote PACE. Finally, PACE has a much simpler application process compared to how REEL was presented at the time of these webinar trainings. In the survey, we asked 21 contractors who are aware of both products to compare REEL and PACE. These contractors typically found PACE to be more attractive in terms of application and qualification processes (57% found PACE more attractive in terms of these processes). However, some contractors do perceive REEL as having better measure requirements, such as the ability to finance non-energy-related measures (43% found REEL more attractive in terms of this ability, 5% found PACE more attractive, 19% found them equally attractive). This may be an important strategic marketing opportunity to help REEL compete with PACE.

Impressions of Marketing Support

The survey also explored impressions of the market support presented to contractors and what marketing support contractors think they need to promote REEL to their customers. While the webinar included a segment on marketing support, there was not a detailed discussion of the marketing support available to participating contractors apart from a bulleted list of marketing activities that may be supported such as direct mail, video trainings, and cobranded materials. The CHEEF and GGFs websites, video training, and co-op marketing system were briefly mentioned, however there was no contact information nor web links provided to contractors through which they could learn more about the marketing.

As mentioned in the previous section, about one-third of contractors are promoting REEL but they are primarily doing so as informal discussions with customers. Nearly two-thirds (61%) of respondents indicated that they need support promoting REEL but few contractors have taken advantage of the various marketing tools that support the REEL product which may be both an awareness issue and an indication that these may not encompass the tools they need to sell REEL to their customers.

- 70% have visited the CHEEF website, while 30% have visited GGF which is unsurprising given that the GGF website is more consumer-facing. Despite it being included briefly in the webinar, 26% were unaware of GGF. Those who used these websites generally found them useful, giving average usefulness scores of 7.0 out of 10 (n=16) for CHEEF and 8.0 out of 10 (n=7) for GGF. Notably, two contractors suggested that the CHEEF website was confusing and hard to use. Specifically, they mentioned issues with logging-in and navigating the site.
- Most (81%) are aware of the co-op marketing, which makes sense considering it received more emphasis in the training compared to GGF, but it's been sparsely utilized so far as only 13% have redeemed points for cobranded marketing materials. The three who have used it found it useful (average score 7.7).
- Only one respondent has shared the FCS tool with their customers but found the tool very useful (rated it 10 out of 10). A third (30%) were unaware of the FCS tool, which makes sense considering it was not directly mentioned in the webinar.

When asked what marketing support contractors need for REEL, the respondents specifically requested simple materials to support the point-of-sale, including: simple handouts for customers, an easy-to-use website, a direct customer support person, and a simple application process they can market as "instant approval".

⁹ For instance, Renew Financial offered up to a \$250 incentive to contractors for closing CaliforniaFIRST PACE loans in June 2015: <https://renewfinancial.com/news/two-new-incentives-launched-la-gets-ready-pace>



Opinion Dynamics

- In terms of education support materials, 74% of respondents indicated that handouts or flyers would be most useful. A website (61%) and a REEL program resource person (57%) were also mentioned as useful support.
- One example of a useful handout is the REEL lender comparison chart shown during the webinar, which contractors rated as a 7.7 out of 10 in terms of usefulness. Some contractors who found the chart useful noted that the chart provides financing information that is easy to understand and compare. Most respondents who gave low or moderate ratings had nothing to add about their scores, though one did mention that it did not contain enough detail about REEL.
- Over two-fifths or 10 of 23 contractors said that they prefer to promote options that make it quick and easy for customers to obtain financing.



Topline of Survey Results

Below are the detailed survey responses from which we drew out key findings. Please note that some questions are “multiple response” and do not sum to 100%. In some cases, the percentages do not sum to 100% due to rounding. Unless italicized with quotations, open-ended responses are coded. Further, it is important to mind the number of 23 contractors when analyzing the survey data, therefore we present the topline data both in terms of counts and percentages.

Motivations for Becoming REEL-Certified

R1-R3. How did you first learn about the REEL program? On which website did you first learn about REEL? Who did you receive this e-mail from?

Response	Count	Percent (n=23)	Specific Website	Specific Email
Received an e-mail	9	39%	Both customers who learned of REEL through a website first do not recall which website/s specifically.	Of the nine respondents who learned of REEL by email, seven are unable to recall whom the email was from, while one indicated receiving an email from CHEEF and the other indicated receiving an email from Pacific Gas & Electric (PG&E).
Through a colleague	3	13%		
Contractor	2	9%		
Customer	2	9%		
On a website	2	9%		
Received a paper mailer	2	9%		
Utility seminar	1	4%		
I don't recall	2	9%		
Total	23	100%		

Source: Combined responses from QR1-QR3

RC1. Below are some reasons why contractors might decide to enroll in the REEL program. Please select the statements, if any that describe why you decided to enroll.

Response (Multiple Response)	Count	Percent (n=23)
I thought the REEL program would provide an opportunity to get new customers.	13	57%
I wanted to learn about all energy efficiency financing options available for my customers.	12	52%
Some of my prospective customers require financing to do their projects.	11	48%
I wanted to be able to offer a complete retrofit package to my customers, including financing.	9	39%
I thought the REEL program would allow my customers to complete larger projects than they could otherwise.	8	35%
I thought being associated with a loan program that is supported by the State of California would lend credibility to my company.	7	30%
I thought being associated with a loan program that is supported by the California energy companies would lend credibility to my company.	3	13%



RC2. Of all the reasons, you selected, which would you say is the most important reason?

Response	Count	Percent (n=15)*
I wanted to learn about all energy efficiency financing options available for my customers.	6	40%
I thought the REEL program would provide an opportunity to get new customers.	3	20%
I wanted to be able to offer a complete retrofit package to my customers, including financing.	2	13%
I thought the REEL program would allow my customers to complete larger projects than they could otherwise.	2	13%
Some of my prospective customers require financing to do their projects.	1	7%
I thought being associated with a loan program that is supported by the State of California would lend credibility to my company.	1	7%
I thought being associated with a loan program that is supported by the California energy companies would lend credibility to my company.	-	-
Total	15	100%

Note: * This question was only asked when the respondent selected multiple responses in the preceding question (RC1).

CAEATFA Training Experience

TE1. How satisfied were you with the live webinar training you attended about the REEL program?

TE1a. Why did you give that rating? [OPEN END, 96=Nothing to add]

Response	Count	Percent (n=23)	Reason for Rating (n=11)*
0-3 Scores	3	13%	<ul style="list-style-type: none"> The webinar lacked clarity and did not help in understanding REEL. (n=1) There were technical issues during the webinar. (n=1)
4-6 Scores	6	26%	<ul style="list-style-type: none"> "It seemed that the program was evolving and not completed." (n=1) The webinar was informative yet complex. (n=1)
7-10 Scores	14	61%	<ul style="list-style-type: none"> The webinar was informative. (n=4) There were technical issues during the webinar. (n=1) Lack of standardization between counties in terms of qualifying energy efficient upgrades or measures. (n=1) The webinar training was easy to follow and thorough. (n=1) "It appears to be a good financing opportunity for my customers." (n=1)
Total	23	100%	
			Mean 7.17
			Standard Deviation 2.74

Note: Responses enclosed in quotation marks are verbatim responses from the respondent/s.

* Twelve of the 23 respondents indicated that they had "Nothing to add".

Source: Combined responses from QTE1-QTE1a



TE2. In the future, would you prefer to receive information regarding REEL through a live webinar?
 TE2a. If not through a live webinar, how would you prefer to receive information regarding REEL? [OPEN END, 96=Nothing to add]

Response	Count	Percent (n=23)	Other Preferred Information Channels	Count	Percent (n=12)*
Yes	11	48%	Not Applicable	-	-
No	5	22%	Email	5	42%
Don't Know	7	30%	Email	3	25%
			Video recordings	1	8%
			Both live and recorded webinars	1	8%
			Nothing to add	2	17%
Total	23	100%	Total	12	100%

Note: * Of the 23 respondents, 11 indicated that they prefer a live webinar, hence only 12 respondents were asked question TE2a.
 Source: Combined responses from QTE2-QTE2a

TE3. How clearly did the webinar training communicate the following?

Training Topics	Clarity Scores			I do not recall this topic at all	Mean	Standard Deviation
	0-3 Scores	4-6 Scores	7-10 Scores			
The credit eligibility requirements (i.e., income, credit score) for REEL loans (n=23)	4%	22%	74%	-	7.87	2.63
The details of REEL loan terms (i.e., interest rates, durations, max/min amounts) (n=23)	13%	9%	78%	-	7.78	2.92
The lenders who offer REEL loans (n=23)	9%	17%	70%	4%	7.77	2.91
The measure eligibility requirements for REEL loans (n=23)	13%	17%	65%	4%	7.23	2.99
The key benefits of REEL loans compared to other financing options (n=23)	13%	22%	65%	-	7.13	3.02
The loan application process for REEL (n=23)	13%	26%	61%	-	6.87	2.99
The websites available for contractors and customers (n=23)	22%	9%	61%	9%	6.81	3.63
The marketing support available to contractors (n=23)	13%	26%	52%	9%	6.71	3.10

Note: Means and Standard Deviations are based on valid responses and exclude those who do not recall the topic.



TE4. What additional information, if anything, do you need about the REEL program that was not provided during the webinar training? [OPEN END, 96=Nothing else]

Responses	Count	Percent (n=23)
Clearer and more detailed information regarding the REEL program's process.	3	13%
Detailed checklist of program requirements.	1	4%
Easy access online portal to submit credit applications, permits, documents, as well as download materials from.	1	4%
Marketing materials	1	4%
More detailed information regarding REEL	1	4%
Standardization in eligible energy efficient upgrades or measures.	1	4%
Nothing else	15	65%
Total	23	100%



Actions Taken Since Training

AC1. Since completing the live webinar training and becoming a REEL-enrolled contractor, have you done any of the following?
 AC2. How would you rate the usefulness of the following to help you promote REEL to your customers?
 AC3a-e. Why do you give that rating for the [INSERT AC2a-e TEXT]?

Response	n=23			Mean Usefulness Score	Standard Deviation	Reason for 0-3 Rating
	Yes	No	I was unaware of this offering			
Visited the California Hub for Energy Efficiency Financing (or "CHEEF") website (the CHEEF is the homepage of the State of California's energy efficiency financing offers, including REEL) (n=23)	70%	22%	9%	7.0 (n=16)	3.5 (n=16)	<ul style="list-style-type: none"> There were issues with the website's usability and it was hard to navigate. (n=2) It was hard to determine qualifying upgrades or measures (n=1)
Visited the Go Green Financing website (Go Green Financing is a website where customers can learn about financing solutions available to them.) (n=23)	30%	43%	26%	8.00 (n=7)	2.89 (n=7)	<ul style="list-style-type: none"> "Rarely use it" (n=1)
Redeemed points for cobranded marketing materials (Cobranded marketing materials can be purchased by REEL-certified contractors using "points" earned by taking the training) (n=23)	13%	78%	9%	7.67 (n=3)	2.08 (n=3)	
Embedded a web button or a web link on your own website that refers customers to the Go Green Financing website (n=23)	9%	70%	22%	10.00 (n=2)	0.00 (n=2)	
Shared the Finance Concierge System (FCS) Tool with your customers (The FCS Tool is a free decision-making tool that matches customers with the best funding options for energy improvement projects.) (n=23)	4%	65%	30%	10.00 (n=1)	0.00 (n=1)	
Done any marketing to inform your potential customers, business partners, or other parties of your ability to perform REEL-financed work (n=23)	17%	74%	9%	N.A.	N.A.	
Discussed REEL with potential customers (n=23)*	35%	57%	9%	N.A.	N.A.	

Note: * Responses to this were recoded for consistency with QA2.
 Responses enclosed in quotation marks are verbatim responses from the respondent/s.
 Means and Standard Deviations are based on valid responses and exclude those who were unaware of the offering.
 Source: Combined responses from AC1-AC3a-e.



AC4. Among the following resources, which would be most helpful to contractors like you in understanding the REEL program?

Response (Multiple response)	Count	Percent (n=23)
Someone who you can call to ask questions	18	78%
Websites	11	48%
Handouts or flyers	11	48%
Webinars	10	43%
Clearer, more accurate information.	1	4%
None of the above	-	-
Something else	-	-

AC5. Is there anything you would like to add about what resources would be most helpful to you in understanding REEL? [OPEN END, 96="Nothing to add"]

Response	Count (n=6)*
"Simple application instructions."	1
"Clearer website for contractors, faster turnaround time for customers in the application process. Maybe a checklist of what documents the customers will need when they apply so we can help them get together before they call/login online to apply."	1
"Having dedicated account reps is always the best resource. Live training is so much more fun."	1
"I am very thankful that I have been able to call and speak with Kirshain Ward. She has been very patient with all my questions."	1
"I would like to see the way the paperwork flows from the beginning to end."	1
"Take a look at the PACE programs to see what makes it VERY easy to use."	1

Note: Responses enclosed in quotation marks are verbatim responses from the respondent/s.
 * There were 17 respondents who had nothing to add.

Marketing Support for Contractors

M1. What information do you need, if any, to help educate your customers about REEL financing? [OPEN END, 96=I don't need any support]

Response	Count	Percent (n=23)
Clearer and consumer friendly handouts/information on paperwork and application process	4	17%
Handouts or flyers	4	17%
Better information on REEL program contact information	1	4%
County specific list of eligible energy efficient upgrades or measures, including bundling information	1	4%
Location specific flyers with current banks, interest rates, and credit requirements	1	4%
Marketing content support (i.e. logos, copywriting support)	1	4%
Materials translated in other languages (i.e. Spanish)	1	4%
List of REEL program web links or reading materials	1	4%
I don't need any support	9	39%
Total	23	100%



M3. Among the following, which would be most helpful to you in educating customers about REEL?

Response (Multiple response)	Count	Percent (n=23)
Handouts or flyers	17	74%
Website	14	61%
Someone who you can call to ask questions about REEL	13	57%
Customer-facing marketing campaigns from the California energy companies	10	43%
Customer-facing marketing campaigns from the State of California	10	43%
Better information	1	4%
None of the above	-	-
Something else	-	-

M4. Below is an image of a chart on the CHEEF website that compares the REEL lenders. How would you rate this chart in terms of its usefulness in educating customers about the lenders?

M4a. Why do you give that rating? [OPEN END, 96=Nothing to add]

Response	Count	Percent (n=23)	Reason for Rating (n=10)*
0-3 Scores	2	9%	<ul style="list-style-type: none"> Have not seen the chart before (n=1)
4-6 Scores	5	22%	<ul style="list-style-type: none"> Not very useful as it lacks detailed information about the REEL loan program (n=1) Based on information provided, would only recommend one to the customer. "...- California Coast, instant pre-approval is key." (n=1)
7-10 Scores	16	70%	<ul style="list-style-type: none"> Looks good (n=1) Provides financing information that is easy to understand and compare (n=4) "It's missing specific term and rate details. Ranges make it hard to calculate monthly payments." (n=1) "This is consumer friendly - simple information, easy to find contact information, option to go to website or call as well as short summary on lending." (n=1)
Total	23	100%	
			Mean
			7.74
			Standard Deviation
			2.45

Note: Responses enclosed in quotation marks are verbatim responses from the respondent/s.

* Thirteen of the 23 respondents indicated that they had "Nothing to add".

Source: Combined responses from M4-M4a.

M5. Is there any information that is missing from the chart that you would need to help your customers decide on which lender to select? [OPEN END, 96=Nothing else]

Response	Count	Percent (n=23)
Detailed information or list of qualifications	2	9%
Information on term and rates	1	4%
Payment calculator	1	4%
Nothing else	19	83%
Total	23	100%



M6. Below is a list of organizations that conduct customer-facing marketing campaigns about REEL. Please rate the effectiveness of the campaigns conducted by each one.
 M7a-c. Why did you give that rating for [INSERT M6a-c TEXT]? [OPEN END; 97="Nothing to add"]

Campaigns	Effectiveness Scores			Not Aware of Campaign	Mean	Standard Deviation	Reason for 0-4 Rating
	0-3 Scores	4-6 Scores	7-10 Scores				
The California energy companies' campaigns (n=23)	17%	22%	30%	30%	6.00	3.35	• Have not heard of the marketing campaign (n=3)
The California Hub for Energy Efficiency Financing (or "CHEEF") website (n=23)	13%	26%	43%	17%	6.42	3.15	• Have not heard of CHEEF or CHEEF campaigns (n=2)
The Go Green Financing campaign (n=23)	22%	9%	26%	43%	5.46	3.50	• Have not heard of Go Green Financing (n=3)

Note: Means and Standard Deviations are based on valid responses and exclude those who do not recall the topic.
 * This question was asked when the respondent gave a score that was less than five.
 Source: Combined responses from M6-M7a-c.

Awareness and Promotion of Finance Options

A1. Are you aware of the following finance options for residential customers? [1=YES, 2=NO]

Response	Yes		No	
	Count	Percent	Count	Percent
Property Assessed Clean Energy or PACE (n=23)	21	91%	2	9%
Home equity lines of credit (n=23)	19	83%	4	17%
Other energy efficiency fixed-term loans besides REEL (loans that have some energy-related requirements) (n=23)	15	65%	8	35%

A2. Which of the following financing options are you promoting to your customers? This could include verbally explaining the option to them, providing informational materials, or including information on your website.

Response (Multiple response)	Count	Percent
Property Assessed Clean Energy or "PACE" (These loans allow customer to pay back the loan through their property tax (n=21)	19	90%
Traditional fixed-term loans from bank or credit unions (no energy-related requirements) (n=23)	13	57%
Energy efficiency fixed-term loans from banks or credit unions besides REEL (These are term loans that have some energy-related requirements) (n=15)	10	67%
REEL loans (n=23)	8	35%
Home equity lines of credit (These loans allow a customer to take a loan based on the equity in the home) (n=19)	5	26%
Other (i.e. bank loans, other loan options) (n=23)	4	17%
I do not promote any financing options (n=23)	1	4%



A2a. Please explain why you choose to promote these/this option/s.

Responses (Multiple response)	Count	Percent (n=22)*
Ease of obtaining financing option	10	45%
Familiarity with process	3	14%
Provide financing options based on buyers' credit worthiness	2	9%
Widely known/Popular	2	9%
Better options for larger/more expensive upgrades/measures	1	5%
Clarity of process and paperwork	1	5%
Flexibility for customer	1	5%
Marketing support	1	5%
Meet customers' needs	1	5%
Nothing to add	2	9%

Note: * One respondent indicated that they do not promote any financing options; hence, this question was skipped for one respondent.

A3. Among the financing options you are promoting, which of the following options do you most often recommend FIRST to customers?

A4. Why do you typically promote this option first? [OPEN END, 09=Nothing to add]

Response	Count	Percent (n=18)*	Reason for Promoting Option
Property Assessed Clean Energy or "PACE"	7	39%	<ul style="list-style-type: none"> • Ease of obtaining loan (n=4) • Customer familiarity with loan (n=1) • Easy payments (n=1) • Contractor familiarity with process (n=1) • No cost to dealer and easier to qualify (n=1) • Meet customers' needs (n=1) • Tax deductions (n=1)
Residential Energy Efficiency or REEL loans	3	17%	<ul style="list-style-type: none"> • Lower fees/cost compared to other options (n=2)
Fixed-term loans from banks or credit unions other than REEL	3	17%	<ul style="list-style-type: none"> • Contractor familiarity with process (n=1) • Customer familiarity with loan (n=1) • Lower fees/cost compared to other options (n=1)
Traditional fixed-term loans from bank or credit unions (no energy-related requirements)	2	11%	<ul style="list-style-type: none"> • Lower fees/cost compared to other options (n=2)
Home equity lines of credit	1	6%	<ul style="list-style-type: none"> • Nothing to add (n=1)
Other	2	11%	<ul style="list-style-type: none"> • Ease of obtaining loan

Note: * Question A3 was asked only if the respondent has multiple responses in A3.
Source: Combined responses from A3-A4.



Contractor Perceptions of REEL

PR1. Please select the statements below, if any, that describe why you are not promoting REEL?

Response (Multiple response)	Count	Percent (n=15)*
I don't have enough marketing support for promoting REEL.	8	53%
I prefer to work with lenders I or my customers are more familiar with.	8	53%
Few of my customers would be interested in REEL.	5	33%
It takes too much time or effort on my part to facilitate REEL loans.	5	33%
The measures required by REEL are too restrictive.	3	20%
Customer familiarity with loan program	3	20%
I don't know enough about REEL.	1	7%
Few of my customers would be able to qualify for a REEL loan.	1	7%
Most customers located within loan program's coverage area	1	7%
REEL program lacks information, training, or support.	1	7%
Feels like a government program	1	7%
I don't promote any financing options	1	7%
I prefer to promote other finance offerings.	-	-

Note: * This question is only asked of respondents, when their response/s to A2 is other than REEL; hence, only 15 respondents were asked this question.

PR2. What can be done to encourage you to promote REEL loans more often? [OPEN END]

Response	Count	Percent (n=20)*
Improve contractor training/provide more information	6	30%
Provide application requirements and materials	5	25%
Increase customer awareness of REEL	3	15%
Make REEL more customer friendly/streamline application process	3	15%
Recruit more participating lenders	1	5%
Shorten approval time	1	5%
Nothing to add	2	10%

Note: * This question is only asked when the response to A3 is other than REEL or if there is only one response in A2 and the response is not REEL.



PR3. Which of the following options would increase your promotion of REEL? Please rank order the options in terms of how much they would increase your chances of promoting REEL. Please rank order the options in terms of how much they would increase your chances of promoting REEL by dragging the option that would get you most interested in promoting REEL to the box on the right, followed by the second best option and then the third best option.

Response	First Option		Second Option		Third Option	
	Count	Percent	Count	Percent	Count	Percent
The ability to qualify customers instantly via a website, phone call, or smart phone application (n=23)	13	57%	7	20%	1	4%
Lower the interest rate (n=23)	7	30%	12	52%	3	13%
The option to receive a portion of the loan amount upfront to pay for project start-up costs (also known as "staged funding") (n=23)	3	13%	1	4%	15	65%

PR4. How often do customers ask you about REEL before you mention it to them?

Response	Count	Percent (n=23)
Never	13	57%
Rarely	5	22%
Sometimes	4	17%
Often	-	-
Always	-	-
Don't Know	1	4%
Total	23	100%

PR5. From **your customer's** perspective, how do REEL and PACE compare on the following attributes?

Finance Attribute	PACE Is More Attractive		PACE and REEL Are Equally Attractive		REEL Is More Attractive		I Don't Know	
	Count	Percent (n=21)	Count	Percent (n=21)	Count	Percent (n=21)	Count	Percent (n=21)
The ability to finance non-energy-related improvements	1	5%	4	19%	9	43%	7	33%
Financing fees paid by customers	4	19%	4	19%	8	38%	5	24%
Interest Rate	7	33%	6	29%	5	24%	3	14%
The need for collateral	5	24%	6	29%	4	19%	6	29%
Credit eligibility requirements (i.e., income, debt-to-income, financial history)	10	48%	5	24%	3	14%	3	14%
Loan duration	7	33%	7	33%	3	14%	4	19%
Measure eligibility requirements	7	33%	9	43%	3	14%	2	10%
The time it takes to see if a customer will qualify for the loan	12	57%	3	14%	1	5%	5	24%
The effort required to fill out required paperwork	12	57%	3	14%	1	5%	5	24%
Maximum loan amount	8	38%	7	33%	1	5%	5	24%

Note: This question is only asked when the response to Question A1a is PACE; hence, the n counts of 21.



PR6. From **your perspective as a contractor**, how do REEL and PACE compare on the following attributes?

Finance Attribute	PACE Is More Attractive		Both Are Equally Attractive		REEL is More Attractive		I Don't Know	
	Count	Percent (n=21)	Count	Percent (n=21)	Count	Percent (n=21)	Count	Percent (n=21)
Measure eligibility requirements	8	38%	7	33%	2	10%	4	19%
Incentives/rewards provided by the lender to contractors	5	24%	3	14%	2	10%	11	52%
Speed of loan approval	12	57%	3	14%	-	-	6	29%
The responsiveness or turnaround time from lenders	12	57%	4	19%	-	-	5	24%
Loan paperwork	11	52%	4	19%	-	-	6	29%
Finance process support provided to contractors by lender	9	43%	4	19%	-	-	8	38%

Note: This question is only asked when the response to Question A1a is PACE; hence, the n counts of 21.

PR7. Please describe in your own words the advantages of PACE over REEL, if any. **[OPEN END, 96=Nothing to add]**

Response	Count	Percent (n=21)*
Ease of application process for customers and contractors	6	29%
Does not require credit check	2	10%
Online portal/web application	2	10%
Helpful customer support	2	10%
Longer terms	1	5%
Higher loan amounts	1	5%
Loan program is heavily advertised	1	5%
Does not recommend PACE	1	5%
Nothing to add	10	48%

Note: * This question is only asked when the response to Question A1a is PACE; hence, the n counts of 21.

PR8. Please describe in your own words the advantages of REEL over PACE, if any. **[OPEN END, 96=Nothing to add]**

Response	Count	Percent (n=21)*
Less lender fees	3	14%
No property liens	3	14%
Better interest rates	2	10%
Lender is a local credit union that has stronger presence in the community compared to PACE	1	5%
May include 30% non-energy items in loan	1	5%
Offers incentives to contractors	1	5%
Nothing to add	14	67%

Note: * This question is only asked when the response to Question A1a is PACE; hence, the n counts of 21.



Opinion Dynamics

Contractor Characteristics

D1. What is your gross annual business revenue in California?

Response	Count	Percent (n=23)
Less than \$100,000	1	4%
\$100,000 to less than \$500,000	3	13%
\$500,000 to less than \$1 million	5	22%
\$1 million or more	12	52%
Prefer not to answer	2	9%
Total	23	100%

D2. Including yourself, how many employees does your company have in California? [NUMERIC OPEN END, 9998=DON'T KNOW, 9999=REFUSED]

Response	Count	Percent (n=23)
2	5	22%
3	1	4%
5	2	9%
6	1	4%
8	1	4%
10	1	4%
15	1	4%
17	1	4%
25	1	4%
57	1	4%
64	1	4%
92	1	4%
300	1	4%
Don't know	-	-
Prefer not to answer	5	22%
Total	23	100%



D3. For how many years has your company been offering services to the residential market in California?
 [NUMERIC OPEN END, 9998=DON'T KNOW, 9999=REFUSED]

Response	Count	Percent (n=23)
1	1	4%
2	3	13%
7	1	4%
10	1	4%
13	1	4%
16	1	4%
17	1	4%
19	1	4%
20	2	9%
25	1	4%
26	2	9%
33	1	4%
35	1	4%
38	1	4%
44	1	4%
49	1	4%
64	1	4%
85	1	4%
Don't know	-	-
Prefer not to answer	1	4%
Total	23	100%

D5. Approximately what proportion of the residential projects that you completed last year were part of the Energy Upgrade California Home Upgrade or Advanced Home Upgrade program?

Response	Count	Percent (n=23)
No jobs, or 0%	4	17%
10% or less	5	22%
11% to 25%	5	22%
26% to 50%	3	13%
51% to 75%	2	9%
More than 75% but less than 100%	2	9%
All jobs, or 100%	-	-
My company does not participate in projects under the Energy Upgrade California Home Upgrade or Advanced Home Upgrade Programs.	1	4%
Prefer not to answer	1	4%
Total	23	100%



Closing

CL2. The CHEEF marketing team is planning to work directly with your company to build a customized, no-cost REEL marketing campaign, ideally bringing leads directly to your company for home energy improvements. With an estimated \$4,000 per contractor available to spend on marketing purchases during the months of April and May, to what types of efforts would you like to have that money allocated for you? Please select all that apply.

Response (Multiple Response)	Count	Percent (n=23)
Digital ads	16	70%
Direct mail	15	65%
Radio ads	10	43%
Print ads	7	30%
Canvassing with door hangers	7	30%
None of the above	-	-

Appendix B. Data Collection Instruments

CSE and Strategic Partner Interview Guides



Finance ME&O Process Evaluation
Center for Sustainable Energy and Strategic Partner Interview Guide
 FINAL- June 2017

Introduction and Approach

As a part of the Finance Marketing Education and Outreach (ME&O) Process Evaluation on behalf of the California Public Utilities Commission (CPUC), Opinion Dynamics will conduct in-depth interviews with the Center for Sustainable Energy and the various Strategic Partners that the campaign has coordinated with through June 2017.¹ The overarching objective of these interviews is to understand how the Center for Sustainable Energy (CSE) engages with Strategic Partners to support the promotion of the Residential Energy Efficiency Loan (REEL) Assistance Program. The specific goals of these interviews are to:

- Understand and collect feedback on coordination efforts and opportunities for improvement;
- Confirm and document the progress of Strategic Partner’s efforts to promote REEL to-date; and
- Collect Strategic Partner feedback on REEL’s progress to-date, CSE’s market facilitation approach and the REEL product itself

Our respondents include staff from the organizations shown in Table 1.

Table 1: List of Interview Respondents and Their Roles

Organization	Role in the Promotion of REEL
CSE	Statewide lead for Finance ME&O
California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA)	Administration of the REEL program through the California Hub for Energy Efficiency Financing (CHEEF); contractor training; ongoing coordination and feedback on CSE’s efforts
The Investor Owned Utilities (IOUs) and Regional Energy Networks (RENs)— six total	Promotion of REEL; co-branding with the CHEEF; ongoing coordination and feedback on CSE’s efforts

¹ This effort is in keeping with Task 4 of the updated Finance ME&O Evaluation Plan (August 2016).

Interview Guide

Role in Campaign

1. What do you see as your organization's role in the Finance ME&O Campaign?
2. What are your impressions of the role that was assigned to your organization? How easily are you able to play that role? What obstacles did you face, if any?

Coordination Process

3. Aside from regular Stakeholder Meetings, are there other key ways you have coordinated with CSE to promote REEL? How?
4. How has coordination gone so far? What would you say have been the key benefits of coordination, if any? What have been the key challenges, if any?
5. How might the process be improved in the future?

Finance ME&O Campaign Strategy

6. What are your impressions of CSE's market facilitation approach as part of its marketing strategy? What are the main strengths of the Campaign and what are the main weaknesses?
7. We would like to get your feedback on each of the following activities' strengths, weaknesses, opportunities for improvement?
 - a. The Go Green Financing website
 - b. The Finance Concierge Service (FCS) tool
 - c. The video training series for contractors
 - d. Co-op marketing (Sproutcloud)
 - e. The one-on-one program representative model that CSE has recently begun to support REEL contractors

Lessons Learned

8. What do you think are the key lessons learned from promoting REEL that CSE, CAEATFA, or the CPUC should consider as the other Statewide Financing Pilots begin to roll out?
9. Is there anything else you would like to add?



Finance ME&O Process Evaluation
Center for Sustainable Energy and Strategic Partner Interview Guide
 FINAL- June 2017

Introduction and Approach

As a part of the Finance Marketing Education and Outreach (ME&O) Process Evaluation on behalf of the California Public Utilities Commission (CPUC), Opinion Dynamics will conduct in-depth interviews with the Center for Sustainable Energy and the various Strategic Partners that the campaign has coordinated with through June 2017.¹ The overarching objective of these interviews is to understand how the Center for Sustainable Energy (CSE) engages with Strategic Partners to support the promotion of the Residential Energy Efficiency Loan (REEL) Assistance Program. The specific goals of these interviews are to:

- Understand and collect feedback on coordination efforts and opportunities for improvement;
- Confirm and document the progress of Strategic Partner’s efforts to promote REEL to-date; and
- Collect Strategic Partner feedback on REEL’s progress to-date, CSE’s market facilitation approach and the REEL product itself

Our respondents include staff from the organizations shown in Table 1.

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The Investor Owned Utilities (IOUs) and Regional Energy Networks (RENS)— six total	Promotion of REEL; co-branding with the CHEEF; ongoing coordination and feedback on CSE’s efforts

¹ This effort is in keeping with Task 4 of the updated Finance ME&O Evaluation Plan (August 2016).

Interview Guide

Role in Campaign

1. What do you see as your organization's role in the Finance ME&O Campaign?
2. How was your role in the campaign explained to you?
3. What are your impressions of the role that was assigned to your organization? How easily are you able to play that role? What obstacles did you face, if any?
4. Would another role be more effective in raising awareness of finance in general?
5. Would another role be more effective in raising awareness of the SW Finance Pilots?

Coordination Process

1. Aside from regular Stakeholder Meetings, are there other key ways you have coordinated with CSE to promote REEL? How?
2. How has coordination gone so far? What would you say have been the key benefits of coordination, if any? What have been the key challenges, if any?
3. How has the recent CPUC decision de-coupling Finance ME&O from Energy Upgrade California® impacted the coordination process? Does this make coordination easier or harder? How so?
4. How might the process be improved in the future?

IOU/REN REEL ME&O Efforts

[INTERVIEWER NOTE FOR IOUS:

- All four IOUs promote REEL on their websites,
 - All four IOUs have registered for the co-op materials and had discussions about them with CSE during stakeholder meetings
 - All have attended events, some have distributed e-newsletters & distributed bill inserts]
5. According to what we have gathered so far, your organization has [INSERT EFFORTS FROM ABOVE AS APPROPRIATE]. Is this correct? What other efforts has your organization undertaken to promote REEL?
 6. Have you cobranded with the CHEEF? If not, why?
 7. What have been the results of these efforts? Did they meet your expectations? Why or why not?

Finance ME&O Campaign Strategy

8. What are your impressions of CSE's market facilitation approach as part of its marketing strategy? What are the main strengths of the Campaign and what are the main weaknesses?
9. We would like to get your feedback on each of the following activities, strengths, weaknesses, areas of improvement?

opiniondynamics.com

Page 2

- a. The CHEEF website
 - b. The Go Green Financing website
 - c. The Finance Concierge Service tool
 - d. The video training for contractors
 - e. Co-op marketing
 - f. The program concierge model that CSE has recently begun to support REEL contractors
10. If you were to propose a different strategy to increase consumer awareness of their energy efficient financing options, what would it be?
 11. If you were to propose a different strategy to increase consumer awareness of the SW Finance Pilots (such as REEL), what would it be?
 12. If you were to propose a different strategy to promote financing along with IOU incentive programs, what would it be?
 13. If you were to propose a different strategy to support contractors at the point of sale with customers, what would it be?

Lessons Learned

14. Thank you for all your feedback. To close, what do you think are the key lessons learned from promoting REEL that CSE, CAEATFA, or the CPUC should consider as the other Statewide Financing Pilots begin to roll out?
15. Is there anything else you would like to add?

Contractor Survey Instrument



Statewide Residential Finance ME&O Study
Contractor Survey Instrument – DRAFT FINAL
March 2017

Introduction and Approach

Opinion Dynamics will conduct online surveys with contractors who participated in California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA)'s online Residential Energy Efficiency Loan (REEL) compliance and enrollment training and enrolled as contractors for the REEL Program. This survey relates to Tasks 5 and 6 of the Finance Marketing Education and Outreach (ME&O) Evaluation Plan.¹ The objectives of this survey are to:

- Collect feedback on the REEL program training and the marketing support currently available from CAEATFA and the Center for Sustainable Energy (CSE);
- Explore what marketing support (information, delivery format) contractors need to promote REEL to their customers;
- Explore contractor knowledge and impressions of the REEL program;
- Measure contractor awareness of EE financing offerings available to customers, and which offerings are promoted and favored;
- Explore contractor perceptions of the REEL program in comparison to other financing offerings especially Property Assessed Clean Energy (PACE); and
- Gather data to explore whether any consumer awareness of REEL is occurring outside of contractor efforts.

This survey will be administered via the internet and our sample includes the 88 REEL-certified contractors listed on the California Hub for Energy Efficiency Financing (CHEEF) website.² We will attempt to contact all contractors via e-mail up to four times.

¹ Notably, only four contractors have completed CSE's video training as of the end of 2016. Given limited participation, we have combined Tasks 5 and 6 into one survey aimed at the contractor experience with learning about REEL through online webinars hosted by CAEATFA and the marketing support offered by CSE thus far.

² <http://www.sto.ca.gov/caeatfa/cheef/reel/index.asp>

Survey Structure

The table below summarizes the purpose of each survey section.

Survey Section	Section Objective
Introduction/Screener	Introduces the survey to respondents and confirms that they recall the CAEATFA webinar training (otherwise attempts to collect an alternative contact)
Motivations for Becoming REEL-Certified	Understand what contractors expected to gain from becoming REEL certified
CAEATFA Training Experience	Gauges satisfaction with the training, clarity of information provided, and whether it met contractors' needs
Actions Taken Since Training	Determine if contractors are aware of and have used tools and marketing support available from REEL/CSE
Marketing Support for Contractors	Understand what marketing support contractors would ideally prefer/need
Awareness and Promotion of Finance Options	Learn which financing options contractors are aware of and promote; understand promotion priorities
Contractor Perceptions of REEL	Collect contractor feedback on REEL, why they do not promote it (if applicable), how they could be encouraged to promote it more often, and how it compares to Property Assessed Clean Energy (PACE) loans
REEL Loan Participants	Only includes those who completed REEL loans; collect feedback on the REEL program and loan application process
Contractor Characteristics	Collect firmographic information about contractors
Closing	Thank and collect information for incentive check

Sample Variables

LOAN_FL Indicates contractors who have completed REEL loans

Survey Instrument

Introduction/Screener

On behalf of the California Public Utilities Commission, thank you for your time to complete this survey. According to our records, you have enrolled as a certified Residential Energy Efficiency Loan (REEL) contractor. We would like to ask you about your experience with the REEL program so far. Your responses will help the State of California improve the REEL program for customers and contractors like you. If you qualify and complete the survey, we are offering a **\$100 incentive** as a token of our appreciation.

S1. Our records indicate that you participated in a live webinar compliance training offered by the California Hub for Energy Efficiency Financing (CHEEF) regarding the Residential Energy Efficiency Loan (REEL) Program. Is this correct?

- 01. Yes
- 02. No
- 08. Don't Know

[ASK IF S1>1, ELSE SKIP TO NEXT SECTION]

S2. To your knowledge, is there someone in your company who may have attended the live webinar training?

- 01. Yes
- 02. No [Thank and Terminate]
- 08. Don't know [Thank and Terminate]

[ASK IF S2=1]

S3. Please provide the name and contact information of the person in your company who attended the live webinar training.

- 00. [OPEN END RESPONSE: Name, Email Address, and Contact Number]
- 09. Prefer not to answer [Thank and Terminate]

TERMINATE TEXT: "Thank you for your time. Unfortunately, you do not qualify for this survey." [IF S3=00: "We will contact the person you recommended."]

Motivations for Becoming REEL-Certified

R1. How did you first learn about the REEL program?

- 01. Received a paper mailer
- 02. Received an e-mail
- 03. Through a colleague
- 04. On a website
- 00. Somewhere else, please describe: [OPEN END]
- 98. I don't recall

[ASK IF R1=04]

R2. On which website did you first learn about REEL? [OPEN END, 97= "I don't recall"]

[ASK IF R1=02]

R3. Who did you receive this e-mail from? [OPEN END, 97= "I don't recall"]

RC1. Below are some reasons why contractors might decide to enroll in the REEL program. Please select the statements, if any, that describe why you decided to enroll. [ROTATE 1-7] [MULTIPLE RESPONSE]

- 01. I thought the REEL program would provide an opportunity to get new customers.
- 02. I wanted to be able to offer a complete retrofit package to my customers, including financing.
- 03. Some of my prospective customers require financing to do their projects.
- 04. I thought being associated with a loan program that is supported by the State of California would lend credibility to my company.
- 05. I thought being associated with a loan program that is supported by the California energy companies would lend credibility to my company.
- 06. I wanted to learn about all energy efficiency financing options available for my customers.
- 07. I thought the REEL program would allow my customers to complete larger projects than they could otherwise.
- 00. Something else, please describe what motivated you to enroll: [OPEN END]

[ASK IF MULTIPLE RC1 RESPONSES]

RC2. Of all the reasons, you selected, which would you say is the most important reason? [READ IN RC1 RESPONSES]

CAEATFA Training Experience

TE1. How satisfied were you with the live webinar training you attended about the REEL program?

0 - Not at All Satisfied	1	2	3	4	5	6	7	8	9	10 - Very Satisfied
<input type="checkbox"/>										

TE1a. Why did you give that rating? [OPEN END, 96=Nothing to add]

TE2. In the future, would you prefer to receive information regarding REEL through a live webinar?

- 1. Yes
- 2. No
- 8. Don't know

[ASK IF TE2=2 OR 8]

TE2a. If not through a live webinar, how would you prefer to receive information regarding REEL? [OPEN END, 98=Don't know, 96=Nothing to add]

TE3. How clearly did the webinar training communicate the following? If you don't recall the topic, please select "I do not recall this topic at all" [RANDOMIZE A-H]

0 - Not at all clearly	1	2	3	4	5	6	7	8	9	10 - Very Clearly	I do not recall this topic at all [97]
<input type="checkbox"/>											

- a. The details of REEL loan terms (i.e., interest rates, durations, max/min amounts)
- b. The lenders who offer REEL loans
- c. The loan application process for REEL
- d. The measure eligibility requirements for REEL loans
- e. The credit eligibility requirements (i.e., income, credit score) for REEL loans
- f. The key benefits of REEL loans compared to other financing options
- g. The marketing support available to contractors
- h. The websites available for contractors and customers

TE4. What additional information, if anything, do you need about the REEL program that was not provided during the webinar training? [OPEN END, 96=Nothing else]

Actions Taken Since Training

AC1. Since completing the live webinar training and becoming a REEL-enrolled contractor, have you done any of the following? [1=YES, 2=NO, 8=I WAS UNAWARE OF THIS OFFERING] [RANDOMIZE A-G]

- a. Visited the California Hub for Energy Efficiency Financing (or "CHEEF") website (the CHEEF is the homepage of the State of California's energy efficiency financing offers, including REEL)
- b. Visited the Go Green Financing website (Go Green Financing is a website where customers can learn about financing solutions available to them.)
- c. Shared the Finance Concierge System (FCS) Tool with your customers (The FCS Tool is a free decision-making tool that matches customers with the best funding options for energy improvement projects.)
- d. Embedded a web button or a web link on your own website that refers customers to the Go Green Financing website

- e. Done any marketing to inform your potential customers, business partners, or other parties of your ability to perform REEL-financed work
- f. Discussed REEL with potential customers
- g. Redeemed points for cobranded marketing materials (Cobranded marketing materials can be purchased by REEL-certified contractors using "points" earned by taking the training)

AC2. How would you rate the usefulness of the following to help you promote REEL to your customers?

0 - Not at All Useful	1	2	3	4	5	6	7	8	9	10 - Very Useful
<input type="checkbox"/>										

- a. [ASK IF AC1a=1] The California Hub for Energy Efficiency Financing (or "CHEEF") website
- b. [ASK IF AC1b=1] The Go Green Financing website
- c. [ASK IF AC1c=1] The Finance Concierge System (FCS) Tool
- d. [ASK IF AC1d=1] Go Green Financing web button or web link on your own website
- e. [ASK IF AC1g=1] The cobranded marketing materials

[ASK FOR EACH AC2a-e<5]

AC3a-e. Why do you give that rating for the [INSERT AC2a-e TEXT]?

AC4. Among the following resources, which would be most helpful to contractors like you in understanding the REEL program? [ROTATE 1-4, MULTIPLE RESPONSE]

- 01. Websites
- 02. Webinars
- 03. Handouts or flyers
- 04. Someone who you can call to ask questions
- 00. Something else, please describe: [OPEN END]
- 96. None of the above

AC5. Is there anything you would like to add about what resources would be most helpful to you in understanding REEL? [OPEN END, 96="Nothing to add"]

Marketing Support for Contractors

M1. What information do you need, if any, to help educate your customers about REEL financing? [OPEN END, 96=I don't need any support]

M3. Among the following, which would be most helpful to you in educating customers about REEL? [ROTATE 1-5, MULTIPLE RESPONSE]

- 01. Website
- 02. Handouts or flyers
- 03. Someone who you can call to ask questions about REEL
- 04. Customer-facing marketing campaigns from the California energy companies
- 05. Customer-facing marketing campaigns from the State of California
- 00. Something else, please describe: [OPEN END]
- 96. None of the above

M4. Below is an image of a chart on the CHEEF website that compares the REEL lenders. How would you rate this chart in terms of its usefulness in educating customers about the lenders?

0 - Not at All Useful	1	2	3	4	5	6	7	8	9	10 - Very Useful
<input type="checkbox"/>										

M4a. Why do you give that rating? [OPEN END, 96=Nothing to add]

M5. Is there any information that is missing from the chart that you would need to help your customers decide on which lender to select? [OPEN END, 96=Nothing else]

Residential Energy Efficiency Loan (REEL) Lenders

As of 1/17/17

Apply for a loan and start your REEL project today!

More info at: thecheef.com/reel

	 California Coast	 Desert Valleys *	 Matadors	 Valley Oak **
Lending Area	Anywhere in California	Indian Wells Valleys and Searles Valleys	Anywhere in California	Tulare and Madera Counties
APR* (as of Jan 1, 2017)	5.88% to 7.88%	4.50% to 8.50%	5.99% to 7.99%	7.45% to 9.95%
Loan Size	\$2,500 - \$50,000	\$2,500 - \$50,000	\$2,500 - \$50,000	\$1,500 - \$50,000
Credit Union Membership Fee (one-time)	Waived	\$5	Waived	\$5
Property Type	Single Family 1 to 4 Residential Units	Single Family 1 to 4 Residential Units	Single Family 1 Residential Unit	Single Family 1 Residential Unit
Minimum FICO	600	580	640	580
100% Financing (No Cash Needed)	✓	✓	✓	✓
No Closing Costs, No Annual Fees	✓	✓	✓	✓
Term: Up to 15 Years	✓	✓	✓	✓
Pre-Approval	INSTANT Pre-Approval For Loans Up To \$25,000	Within 24hrs**	Within 24hrs**	Within 24hrs**
Contact Info	(858) 636-3048 Ray Chapman Apply Online at calcoastcu.org	(866) 743-6497 Eric Bruen Apply Online at desertvalleys.org	(818) 993-6328 x248 Joseph Cortez Apply Online at matadors.org	(559) 688-9996 x2315 Kiersty Vaughan Apply Online at valleyoak.org

State of California
Lender Chart
CASATA-CHEEF-122015-Rev. 1/17/2017

* APR = Annual Percentage Rate. Rates are subject to change at any time. Check with lender for the most up-to-date rate information.
** During normal business hours
* Desert Valleys can also lend to parts of Kern, Inyo and San Bernardino Counties. Please see Desert Valleys' website for membership details.
** Valley Oak can also lend to Select Employee Groups in Kings and Fresno Counties. Please see Valley Oak's website for membership details.

M6. Below is a list of organizations that conduct customer-facing marketing campaigns about REEL. Please rate the effectiveness of the campaigns conducted by each one. [RANDOMIZE A-C]

0 - Not at All Effective	1	2	3	4	5	6	7	8	9	10 - Very Effective	Not aware of this campaign
<input type="checkbox"/>											

- a. The California energy companies' campaigns
- b. The California Hub for Energy Efficiency Financing (or "CHEEF") website
- c. The Go Green Financing campaign

[ASK FOR EACH M6a-c<5]

M7a-c. Why did you give that rating for [INSERT M6a-c TEXT]? [OPEN END; 97="Nothing to add"]

Awareness and Promotion of Finance Options

A1. Are you aware of the following finance options for residential customers? [1=YES, 2=NO] [RANDOMIZE A-C]

- a. Property Assessed Clean Energy or PACE
- b. Home equity lines of credit
- c. Other energy efficiency fixed-term loans besides REEL (loans that have some energy-related requirements)

A2. Which of the following financing options are you promoting to your customers? This could include verbally explaining the option to them, providing informational materials, or including information on your website. **[MULTIPLE RESPONSE] [RANDOMIZE 1-5]**

1. REEL loans
2. **[ASK IF A1a=1]** Property Assessed Clean Energy or "PACE" (These loans allow customer to pay back the loan through their property taxes.)
3. **[ASK IF A1b=1]** Home equity lines of credit (These loans allow a customer to take a loan based on the equity in the home)
4. **[ASK IF A1c=1]** Energy efficiency fixed-term loans from banks or credit unions besides REEL (These are term loans that have some energy-related requirements)
5. Traditional fixed-term loans from bank or credit unions (no energy-related requirements)
0. Something else, please describe: **[OPEN END]**
9. I do not promote any financing options **[EXCLUSIVE]**

[SKIP IF A2=9]

A2a. Please explain why you choose to promote [IF MULTIPLE A2 SELECTED "these options", OTHERWISE "this option"].

[ASK A3 IF THERE ARE MULTIPLE RESPONSES IN A2 OTHERWISE SKIP TO NEXT SECTION]

A3. Among the financing options you are promoting, which of the following options do you most often recommend FIRST to customers? **[LIST ONLY THOSE OPTIONS FROM A2]**

01. Residential Energy Efficiency or REEL loans
02. Property Assessed Clean Energy or PACE loans
03. Home equity lines of credit
04. Fixed-term loans from banks or credit unions other than REEL
05. Traditional fixed-term loans from bank or credit unions (no energy-related requirements)
06. **[INSERT RESPONSE TO A2:0]**

A4. Why do you typically promote this option first? **[OPEN END, 09=Nothing to add]**

Contractor Perceptions of REEL

[ASK IF A2<>1]

PR1. Please select the statements below, if any, that describe why you are not promoting REEL? **[MULTIPLE RESPONSE]**

01. I prefer to promote other finance offerings.
02. I don't know enough about REEL.
03. I don't have enough marketing support for promoting REEL.
04. Few of my customers would be interested in REEL.
05. Few of my customers would be able to qualify for a REEL loan.
06. The measures required by REEL are too restrictive.
07. It takes too much time or effort on my part to facilitate REEL loans.
08. I prefer to work with lenders I or my customers are more familiar with.
00. Something else, please describe: **[OPEN END]**
96. I don't promote any financing options.

[ASK IF A3<>1 OR IF NUMBER OF RESPONSES IN A2 IS ONLY ONE AND THE RESPONSE <>1]

PR2. What can be done to encourage you to promote REEL loans more often? **[OPEN END.]**

PR3. Which of the following options would increase your promotion of REEL? Please rank order the options in terms of how much they would increase your chances of promoting REEL. Please rank order the options in terms of how much they would increase your chances of promoting REEL by dragging the option that would get you most interested in promoting REEL to the box on the right, followed by the second best option and then the third best option. **[ROTATE]**

- a. Lower the interest rate
- b. The ability to qualify customers instantly via a website, phone call, or smart phone application
- c. The option to receive a portion of the loan amount upfront to pay for project start-up costs (also known as "staged funding")

Lower the interest rate	
The option to receive a portion of the loan amount upfront to pay for project start-up costs (also known as "staged funding")	
The ability to qualify customers instantly via a website, phone call, or smart phone application	

PR4. How often do customers ask you about REEL before you mention it to them?

- 1. Never
- 2. Rarely
- 3. Sometimes
- 4. Often
- 5. Always
- 8. Don't Know

[ASK IF A1a=1, OTHERWISE SKIP TO NEXT SECTION]

PR5. From **your customer's** perspective, how do REEL and PACE compare on the following attributes?

Finance Attribute	PACE Is More Attractive	PACE and REEL Are Equally Attractive	REEL Is More Attractive	I Don't Know
a. Interest Rate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Loan duration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Maximum loan amount	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Measure eligibility requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Credit eligibility requirements (i.e., income, debt-to-income, financial history)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. The time it takes to see if a customer will qualify for the loan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. The effort required to fill out required paperwork	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h. The need for collateral	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i. Financing fees paid by customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
j. The ability to finance non-energy-related improvements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PR6. From **your perspective as a contractor**, how do REEL and PACE compare on the following attributes?

Finance Attribute	PACE Is More Attractive	Both Are Equally Attractive	REEL is More Attractive	I Don't Know
a. Measure eligibility requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Speed of loan approval	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Loan paperwork	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. The responsiveness or turnaround time from lenders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Incentives/rewards provided by the lender to contractors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Finance process support provided to contractors by lender	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PR7. Please describe in your own words the advantages of PACE over REEL, if any. [OPEN END, 96=Nothing to add]

PR8. Please describe in your own words the advantages of REEL over PACE, if any. [OPEN END, 96=Nothing to add]

REEL Loan Participants

[ASK SECTION IF LOAN_FL=1, ELSE SKIP TO NEXT SECTION]

Our records indicate you have closed at least one REEL loan. We have a few questions about your experience.

LP1. Below we list some steps needed to apply for a REEL loan. Please rate the level of difficulty in completing each of these steps. [RANDOMIZE]

0 - Very Difficult	1	2	3	4	5	6	7	8	9	10 - Very Easy
<input type="checkbox"/>										

- a. Gathering information from customers to see if they meet REEL loan requirements
- b. Filling out required paperwork for qualifying the customer
- c. Satisfying the "Qualifying Energy Efficient Equipment Measure (EEEMs)" requirements
- d. The time it takes to see if a customer will qualify for the loan
- e. The time it takes to complete program forms
- f. The responsiveness or turnaround time from lenders/credit unions
- g. The responsiveness or turnaround time from REEL program representatives

LP2. During the loan application process, did you receive any assistance from a lender or REEL program representative?

- 01. Yes
- 02. No

[ASK IF LP2=2]

LP2a. Would it have been helpful if you had received assistance from either the lender or a REEL program representative during the loan application process?

- 01. Yes
- 02. No
- 08. Don't know

[ASK IF LP2a=1]

LP2d. What assistance would be helpful to you? [OPEN END, 97=Nothing to add]

LP2b. How satisfied are you with the REEL program?

0 - Not at All Satisfied	1	2	3	4	5	6	7	8	9	10 - Very Satisfied
<input type="checkbox"/>										

LP2c. Why do you give it that rating? [OPEN END, 96=Nothing to add]

LP3. What, if anything, would you change about the program to make it more attractive to contractors? [OPEN END, 96=Nothing to add]

LP3a. What additional support, if any, would you like from the REEL program? [OPEN END, 96=Nothing to add]

LP4. What, if anything, would you change about the program to make it more attractive to customers?
[OPEN END, 96=Nothing to add]

Contractor Characteristics

We're almost done. We have just a few quick questions about your business.

D1. What is your gross annual business revenue in California?

- 01. Less than \$100,000
- 02. \$100,000 to less than \$500,000
- 03. \$500,000 to less than \$1 million
- 04. \$1 million or more
- 99. Prefer not to answer

D2. Including yourself, how many employees does your company have in California? [NUMERIC OPEN END, 9998=DON'T KNOW, 9999=REFUSED]

- 00. [NUMERIC OPEN END]
- 99. Prefer not to answer

D3. For how many years has your company been offering services to the residential market in California? [NUMERIC OPEN END, 9998=DON'T KNOW, 9999=REFUSED]

- 00. [INSERT NUMBER OF YEARS]
- 99. Prefer not to answer

D5. Approximately what proportion of the residential projects that you completed last year were part of the Energy Upgrade California Home Upgrade or Advanced Home Upgrade program?

- 01. No jobs, or 0%
- 02. 10% or less
- 03. 11% to 25%
- 04. 26% to 50%
- 05. 51% to 75%
- 06. More than 75% but less than 100%
- 07. All jobs, or 100%
- 08. My company does not participate in projects under the Energy Upgrade California Home Upgrade or Advanced Home Upgrade Programs.
- 99. Prefer not to answer

Closing

CL2. The CHEEF marketing team is planning to work directly with your company to build a customized, no-cost REEL marketing campaign, ideally bringing leads directly to your company for home energy improvements. With an estimated \$4,000 per contractor available to spend on marketing purchases during the months of April and May, to what types of efforts would you like to have that money allocated for you? Please select all that apply.

- 01. Direct mail
- 02. Print ads
- 03. Radio ads
- 04. Digital ads
- 05. Canvassing with door hangers
- 97. None of the above

CL1. We are offering a **\$100** check upon completion of this survey. Please enter the check recipient's name and mailing address in the space provided below. If you do not wish to receive the incentive, you may leave this page blank and continue to complete your survey.

Those are all the questions we have for you today. Thank you for participating in this study!