

MEMORANDUM

TO: Bob Hoyt, Director, Montgomery County Department of Environmental Protection
FROM: Paul Bubbosh, Chairman, Energy and Air Quality Advisory Committee
SUBJECT: Energy Efficiency & Conservation Strategy Block Grants
DATE: March 29, 2010

The purpose of this memorandum is to provide you with recommendations on outreach and communication for the Energy Efficiency & Conservation Strategy Block Grants (EECBG or block grants). We provide these recommendations as part of our mandate under Montgomery County Code Chapter 18A-5. Our recommendations address two of the block grants which we believe require significant outreach and communication: (1) Home Improvement Loan Program and (2) Commercial/Multi-Family Building Energy Efficiency Grant Program. Our recommendations cover two areas: crafting the most effective message and identifying the appropriate audience to deliver this message.

First, we want to congratulate Montgomery County Department of Environmental Protection (DEP) for its success in receiving the block grants. This is an incredible opportunity for DEP and Montgomery County and we are excited to assist you in this effort. We recognize that the potential energy savings and emissions reductions from the block grants represent only a fraction of the County's long-term goals; however, EECBG represents an important starting point upon which we hope the County can expand upon. We strongly believe this effort requires thoughtful and serious attention to outreach and communication, which is sometimes an afterthought in implementing Federal grants. We caution against a one-size-fits-all approach to outreach and communication and recommend you implement specific strategies as detailed below.

I. Home Improvement Loan Program

General: The general consensus among our Committee members is that this program will be difficult to “sell” to County residents because of the perceived hurdles. While we recognize the need for administrative procedures and protections to obtain a loan, as written they are a powerful disincentive. Nevertheless, we believe the program can succeed. We believe the key is to use the private sector — the energy auditors, HVAC companies, renewable energy and energy efficient product providers — to provide a “turn-key” solution for residents. Ideally, we would like to see the private sector communicate the message and complete all the necessary administrative and procedural steps necessary for a resident to obtain a loan. The easier you can make it for the homeowner, the greater the likelihood of residents taking advantage of the program.

You will want to conduct general promotion, such as posting on-line tools to educate residents about the program; however, we caution against over-spending or over-reliance in this area. For example, the recommendations in the “Green Map” (SWG, Implementation Plan for the Climate Protection Plan, March 2010) offer tips about toolkits, developing a broad coalition, and community based education programs, but these efforts are more applicable for the long-term and they may not be appropriate for the initial outreach campaign. Once the program moves

beyond the initial stages, obtains feedback, and adopts changes based on feedback, then you can begin to implement the general recommendations in the Green Map. Finally, we realize that the very tools you will most need for an effective outreach campaign — residential green guide, energy community leaders, green business certification program — will be developed concurrent with your outreach on HELP, so they will be products that you can use in subsequent education campaigns.

Message: You need to push the fact that the loans are below market rates, so people realize that they are getting a deal. This is your main selling point. This is especially true for the larger renewable energy projects that could reach the cap of \$25K. You could try pushing the “green” angle but frankly residents will want to know about the “deal” they are getting. Also, you need to turn the fact that they must obtain an energy audit into a positive by emphasizing that they are getting a full diagnosis on their house. The County Executive alluded to this need during our recent meeting with him. As you may recall, he asked how residents could see the “big picture” energy needs. An audit can do this and you should use this to your advantage, because otherwise people will latch onto the audit as a negative.

Audience: As we mention above, your target audience should be the customer base for the private contractors selling energy efficiency and renewable energy products. They see the most residents on a day-to-day basis. These are the customers who have reached out to contractors for an estimate. They have an assumed need for some product, so they are a captive audience. The job of the contractor would be to explain the program and complete the paperwork for the resident. The fact that the resident must then seek an audit before proceeding is a weakness in this approach. Nevertheless, we recommend that you spend your time and resources on recruiting and training this group to conduct your outreach. Beyond contractors (and energy auditors) there are so many other groups, associations, and other entities that could serve to facilitate the message, but the fact that there are so many can be overwhelming and dilute your efforts. Take a targeted approach, one that you can manage in-house and follow the progress carefully.

II. Commercial and Multi-Family Business Energy Efficiency Grant Program

Message: Improving the energy efficiency of your facility can lead to substantial dollar savings and an improved bottom line. There are many “low cost” and “no cost” energy savings measures that can make a real difference. There are also energy savings measures that require an upfront investment in new equipment. Often, these types of measures can lead to substantial energy and dollar savings of 10% to 40%. However, in these challenging economic times, it is often difficult to make the upfront investment necessary to implement such measures. The Montgomery County Commercial and Multi-Family Business Energy Efficiency Grant Program can help. This grant program is designed to help small to medium enterprises, non-profits, and congregations overcome the barriers to implementing energy efficiency improvements. It is a cost sharing grant program that is complimentary to utility incentives (meaning they can be added together). \$1,500,000 of grant funding is available. Awards will cover 25% of the net cost of qualified energy efficiency improvements with a maximum grant amount of \$50,000 per recipient. Apply today. For more information, please go to www.MoCoGreatEnergyDeal.org or call 1-800-MoCoEE1.

Tag lines: “The cheapest kilowatt is the one you don’t use”; “Jump start your energy and cost savings with the MoCo Commercial and Multi-Family Business Energy Efficiency Grant Program”; “Jump into energy and cost savings”; “Improve your bottom line and that of the environment”

Audience: We recommend that you carefully target and select the businesses that you believe, at this time, address two characteristics: (1) leadership potential and (2) representativeness. You can easily become mired in a dozen characteristics for selection, such as demonstrating the greatest potential for efficiency gains, but we believe this would be a mistake at this juncture because it over-complicates the task at hand. First, we recommend that you identify who you believe could serve as leaders among the business community across several small business sectors (for example, dry cleaners, restaurants, apartment buildings, etc) and then specifically reach out to them about the grant opportunity. Note, your general outreach via your website and registry will allow all eligible applicants to apply. In their grant application these businesses should demonstrate to you how they can serve as a leader. This involves their current stature, partnerships, community relationships, presence in the County, etc. You are looking for businesses that can be held-up as examples for others to emulate. The second characteristic is the representativeness of the business sectors. This is harder to assess, target and select without the comprehensive evaluation contemplated by the commercial and multi-family building study, but you will need to make some value judgements about these sectors in terms of number of locations and energy consumption. Once you address these two factors, you should be able to target the business associations that represent these sectors.