



## **New London Resource Project**

### **Coupling Community-Based Outreach with Financing**

The New London Resource Project (NLRP), a three year program in New London, WI, drew on support among influential local leaders for design and implementation, then used on-bill financing of energy-efficiency measures tailored so that energy bill savings exceeded loan payments. Two utilities and two public-power associations joined with a third-party efficiency administrator to sponsor the program. An advisory group of influential local leaders helped design and champion the program among fellow townspeople. NLRP subsidized home visits where program staff conducted an energy assessment, talked to the homeowner about efficiency and on-bill financing and directly installed initial efficiency measures. If desired, staff selected a contractor for more comprehensive home energy improvements at pre-negotiated prices. Almost 750 residential customers (about 25% of total customers) got energy assessments, and the project delivered 2.5 million kWh of annual savings of which almost 500,000 kWh came from the residential sector.

### **Background**

Operated from 1992 to 1995, the \$550,000 NLRP was a collaboration between New London Utilities (a municipal utility) and Wisconsin Gas Company, with additional funding from Wisconsin Public Power Incorporated and the American Public Power Association, and programmatic support from the Wisconsin Energy Conservation Corporation (WECC). The project's goal was to test the use of positive cash flow financing and community-based outreach to deliver low cost energy savings in the residential, commercial, and industrial sectors. Part of the motivation for the multi-utility project was concern about limited residential electricity savings opportunities and the need to pursue gas and water savings (as well as non-energy benefits) to deliver attractive economics. New London, a community of 6,750 people, was chosen via competitive application in part because it had two large industrial manufacturers.

NLRP offered all of the town's residents subsidized energy assessments, on-utility bill financing, contractor assignment, a \$100 conservation check to purchase energy efficiency products at participating retailers, and free new construction and home remodeling plan reviews to identify energy efficiency opportunities. NLRP also developed a conservation education curriculum for local schools and assisted retailers with energy efficiency product stocking and employee training.

### **Eliminating Barriers to Residential Energy Improvements**

NLRP developers identified three key barriers to residential program participation:

1. Lack of access to capital to undertake efficiency improvements
2. Customer avoidance of hassle, transaction costs, and risk involved in selecting and working with contractors to complete projects
3. Customers not familiar with energy savings options, their benefits and costs.

This case study is part of a larger report available here: <http://drivingdemand.lbl.gov/>



While program sponsors saw significant potential in positive cash flow financing – financing set up so that the bills savings are greater than the loan payments – they knew that they had to design the program to make it as easy as possible to save energy. NLRP had a single full-time employee charged with delivering the bulk of the program, including residential energy assessments. To increase operational efficiency, NLRP tried to schedule a large number of assessments at the same time in a single neighborhood. For under \$35, these assessments included direct installation of low cost energy and water saving measures, a blower door test, a report highlighting cost and savings estimates for appropriate major measures, and an explanation of on-bill financing to reduce up-front cost barriers. Once homeowners decided to invest, they were given the option of choosing a contractor or having the program assign a qualified contractor. All participating contractors agreed to pre-negotiated prices for improvements like programmable thermostats, air sealing, and insulation to give residents confidence in the fairness of the bids they received.

## **Engendering Community Support for the Project**

NLRP engaged the New London community throughout the design and implementation phases. The Community Advisory Committee (CAC), a 14 member team composed of 3 utility representatives and 11 influential community members, provided input and served as the project's public ambassadors. CAC members were strategically recruited to reach as many constituencies as possible, and the committee's large role in program development created a sense of project ownership. These members also helped fine tune delivery and marketing to be responsive to community members and local culture. George Edgar, Policy Director for Wisconsin Energy Conservation Corporation (WECC was contracted to support the implementation of the NLRP), noted that CAC members were well-known and worked very hard to create buzz, provide credibility in the community, and to get the town engaged.

## **Harnessing Grassroots Enthusiasm to Enhance Outreach**

Two energy fairs, the first of which attracted almost a thousand attendees, were essential to building community awareness when NLRP first launched. The project then used a number of traditional marketing approaches including radio and newspaper advertising to reach out to residents. Messaging focused on saving energy and branding the project as a community initiative. While there was a community focus, the New London Utilities manager played a highly visible and involved role that gave the project credibility and enhanced the utilities' standing in the community. In an attempt to increase the efficiency of program delivery, direct mail was sent to targeted neighborhoods a few weeks before the assessor visited, followed by door hangers the day before he began work there. Residents were permitted to sign-up for assessments on the day of the assessor's visit.

NLRP supplemented these efforts with outreach tools designed to harness strong community support. In focus groups before project launch, residents requested an active role in NLRP, so it created the Resource Partner Volunteers (RPV) initiative. RPV's conducted home visits to



provide energy education and schedule assessments. They also visited participant homes to evaluate satisfaction and encourage participants to join the RPV effort. In addition, when residents had assessments completed on their homes, they were given a “Pass It On” card to give to neighbors or friend.

## **Impact and Evaluation**

750 residential customers (about 25% of total customers) got energy assessments. The project delivered 2.5 million kWh of annual savings of which almost 500,000 kWh came from the residential sector. One-quarter of the program’s financing, \$137,000 went to residential energy improvements. In later years, the program struggled to schedule residential energy assessments and to convert these assessments into upgrades. 85% of those that did invest in upgrades were satisfied with their participation.

While streamlining the process is important, a post-pilot analysis pointed out that it is important that residents take ownership of some project services, such as selecting a contractor, in order to realize long-term sustainable benefits. New London’s experience may have limited applicability to larger towns and cities, because creating “buzz” and community ownership of a project like this may be more difficult outside of a small community.