

Lea Lupkin, ICF

Title: A scalable solution for SMB behavioral energy efficiency

Abstract: Small-to-medium businesses (SMB) consume around 20% of energy in the United States, yet they receive less than 4% of utility energy efficiency spending (Source: SECC). SMBs share similarities with residential and larger commercial and industrial (C&I) energy consumers, yet they have distinct challenges for energy efficiency adoption. Commercial behavioral tactics have been piloted by a number of utilities over the past several years to a limited degree of success. How do we scale up SMB energy efficiency solutions that work and leverage behavioral insights? While conceptually similar to their residential counterparts, small-to-medium business (SMB) behavioral energy programs have encountered unique barriers that prevent their widespread adoption. These barriers include the smaller quantity of businesses making experimental design more challenging, high heterogeneity, and limited data availability and contact information. ICF has worked to systematically identify and test methods to overcome these barriers.

While the challenges are real, the opportunities to achieve significant benefits from SMB behavioral programs are also real. At one eastern utility, a behavioral SMB pilot resulted in higher customer satisfaction rates with the utility and increased uptake in the midstream commercial program over the control group. However, the program did not reach statistically significant energy savings.

Based on the lessons learned from that pilot, ICF adjusted the program design and engagement tactics and deployed a second pilot at a large Southeastern investor-owned utility in the fall of 2018. We will share enhancements made to the program design including experimental group sizes, tactics used in the customized energy reports, and a high-touch approach that goes beyond conventional behavioral interventions. We will also discuss how and why we moved away from the peer-benchmarking methods commonly used in residential behavioral programs, which research has shown can discourage rather than motivate commercial customers. Finally, we will present results from the pilot including impacts of the behavioral treatment on customer satisfaction, cross-program participation, and energy savings.