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*Insight • Innovation • Impact*



# New Jersey Clean Energy Program Business Focus Groups - Summary Report December 20, 2007

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# Objectives

The New Jersey Clean Energy Program's (NJCEP's) primary objective for this research was to:

**Enable the development of focused value propositions, messages, and delivery strategies that align with customer decision-drivers, so NJCEP can refine plans to motivate and reach the business audience and build participation.**

Other specific objectives included :

- Better understand business people's needs, awareness, attitudes and perceptions about energy efficiency and renewable energy.
- Gauge receptiveness to current and potential future message strategies and communication concepts.
- Understand specific likes and dislikes with respect to current programs and offers. Identify and understand key motivating factors for participating, as well as roadblocks to participation. Explore levels of interest in current and potential future program designs/design elements.
- Explore channels/communication vehicles that will work best to communicate program benefits to businesses.
- Understand knowledge and attitudes about state sponsorship of programs, and what the role of New Jersey's state government should be.
- Gauge awareness of energy purchasing options, and gain a better understanding of factors that motivate business owners to consider those options.

# Methodology

Market Strategies International, Inc. (MSI) conducted a total of four focus groups with business customers and trade allies, December 5-6, 2007:

Hackensack: Wednesday December 5 - 6:00 pm & 8:00 pm

Morristown: Thursday December 6 - 6:00 pm & 8:00 pm

The groups averaged approximately 110 minutes in length. All participants received incentive payments. Audio and videotapes were made, and transcripts developed.

**Please note:** This is *qualitative* research, conducted in two locations with fewer than 40 participants. Findings should be treated as directional.

For a copy of the discussion guide and details on the participants in each group, please see the Appendix .

# Methodology, continued

The characteristics of the customers who participated in the focus groups were:

<b>GENERAL</b>	End Users and Trade Allies, some program participants, some non-participants
<b>PARTICIPANT TYPE</b>	Mix of Renewable Energy and Energy Efficiency
<b>END-USER ENERGY EXPENDITURES</b>	Mix from \$4,000-\$80,000 monthly average
<b>TRADE ALLY DESIGN CONSTRUCTION BUDGET</b>	Mix from \$25K to more than \$1M average
<b>END-USER ENERGY INDUSTRIES</b>	Mix of lodging, restaurant, property management, school, warehouse, and other
<b>TRADE ALLY INDUSTRIES</b>	Architecture, construction/HVAC/electrical contracting, engineering/lighting design, lighting installation, design/build organization, other

# Executive Summary

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# Executive Summary

Among business decision-makers, there is a very strong focus on bottom line benefits, so all programs must highlight these. Clear financial benefits, such as fast payback periods, drive high interest in participation.

Many see saving money through energy efficiency as a fundamental business priority; using renewable energy is viewed as a good thing to do, but much less critical from a business perspective.

There appears to be untapped potential in “branding” clean energy. A successful campaign that furthered recognition of participating businesses could build additional interest and participation. The appeal of having a “green” image is growing.

The most common (non-financial) roadblocks to participation are lack of awareness, inconvenience/complexity (“red tape, bureaucracy”) and the demand participation places on scarce human resources.

## Executive Summary, continued

The vast majority of NJ businesses are small and medium-sized. If NJCEP wants a broader reach, marketing communications should be careful to portray programs as designed for large and small businesses and organizations alike.

Perceived complexity is a key barrier to participation. A review of programs and the website with this in mind should be considered.

Business people support the State's role in encouraging energy efficiency and clean power and see it as legitimate, but they do question whether the State's efforts are as well-designed and productive as they could be.

Knowledge that businesses have the right to purchase energy from alternative suppliers is widespread; motivation to shop and switch suppliers is not. There is much doubt that switching will be rewarded with substantial savings, and will be trouble-free.



Needs, Awareness,  
Attitudes and Perceptions  
About Energy Efficiency  
and Renewable Energy

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# Energy Efficiency

**The need to improve energy efficiency is very widely understood by both business people and trade allies.**

- Most end users and trade allies claim to be making efforts to use energy efficiently.
- Most say they are pleased with the cost savings realized through energy efficiency to date, and plan to do more.

**The key motivations for energy efficiency are clearly economic/bottom line oriented**, but some are also interested because they feel their organization's image will benefit from involvement with energy efficiency and renewables (the cachet of "green").

- Energy efficiency measures are evaluated on the basis of their projected payback, not ROI, net present value, etc.
- This seems to be true for large corporations as well as small and mid-sized businesses.
- Payback periods of five to seven years are seen by some as reasonable, two-three years are generally seen as attractive; one-year, very attractive.
- There is a strong resistance to retrofitting with more efficient solutions before existing equipment wears out. Key roadblocks include upfront cost/competing uses for the funds, and potential for disruption of the business.

## Energy Efficiency, continued

**There is an overall need for greater awareness and education regarding energy efficiency.**

- End users and trade allies, especially those who have not been involved with NJCEP to date but were interested enough to participate in this research, express a strong interest in learning more about efficiency.

**Most organizations, large and small, lack clear programmatic energy efficiency goals.**

- Although some do, most end-users do not set specific overall goals for saving energy. Rather, they tend to identify and pursue individual efficiency opportunities that present themselves.

## Energy Efficiency, continued

- ✓ *“I’ve seen tremendous interest over the last year in people putting a lot more interest into energy efficiency just due to the prices of fuel and the prices of electricity.” (Morristown, 6pm)*
- ✓ *“We’re just starting to try to educate our clients...the money is the bottom line and to show them that...over time there’s some cost savings involved. But it’s hard to convince them because it’s a time issue and they want to make money right away.” (Hackensack, 8pm)*
- ✓ *“[Energy efficiency is important] because of the budget restraints. I spend \$6,000 a day in fuel to run the school district and I need to reduce that cost.” (Hackensack, 8pm)*
- ✓ *“We’re in it because we believe we’re at war for oil and we want to reduce our dependency on that.” (Hackensack, 8pm)*
- ✓ *“I would say that in addition to the bottom line, because a lot of people are skeptical about the payback period, it’s also about having the green image for the company.” (Hackensack, 8pm)*
- ✓ *“The green altruistic reason may influence about 5 to 10 percent of individuals who are otherwise focused on making a prudent investment.” (Morristown, 8pm)*
- ✓ *“The worst aspect, the cost involved...and how hard is it going to be to retrofit...I wouldn’t want to have to tear my whole building apart to convert over to these new systems that are going to save me a couple pennies here. You know, my building’s 50 years old and sometimes on an old building it might be more expensive to retrofit to a new system than to just leave what’s there alone.” (Morristown, 8pm)*

# Energy Efficiency, continued

- ✓ *“To invest in certain products to make the building more energy efficient, it’s like a 10, 15 year cycle till they recoup the investment. And sometimes they don’t want to invest that money right up front.” (Hackensack, 8pm)*
- ✓ *“If I can get a payback in 5, 6, 7 years, that’s good for me.” (Hackensack, 8pm)*
- ✓ *“If they’re going to replace a boiler, many of them do, they like the idea that if they replace a boiler with a reasonably efficient one that’s within their budget, that they’re going to get free money back in return.” (Morristown 6pm)*
- ✓ *“I’ve had paybacks as far out as seven years recently in large dollars, but didn’t quite like that as much as the shorter payback projects. So we sort of refined our list to get to those more immediate ones...more reasonable payback ones first.” (Morristown, 6pm)*
- ✓ *“It comes back to profit. You’ve got chillers, cooling towers and heat exchangers you have for ten years, but now they can buy these new ones and save 50 percent...they’re going to wait until [they] crap out or break.” (Morristown, 6pm)*
- ✓ *“The reason this stuff doesn’t work is because they [businesses] don’t know nothing about it.” (Hackensack, 6pm)*

# Renewable Energy

**Lacking a clear bottom-line benefit, clean energy is a “nice to have,” not a critical business need.**

- Renewable energy is not seen as an important business priority in the same way that energy efficiency is.
- While many express personal concerns about such issues as energy security, climate change, and environmental problems, these concerns do not drive business decisions in the same way that a payback analysis of an efficiency measure can.
- Interest in solar power and other clean energy solutions is driven by the perceptions that rebates and incentives may make them attractive economically, and that a business may be able to stabilize energy costs and avoid future hikes.

**Some businesses are intrigued by the idea that using clean energy could become a selling point and a source of goodwill.**

- They are not sure whether this opportunity is real and, if so, how they might take advantage of it.
- They express interest in a “logo” or communication program they could leverage to get credit for supporting clean energy.

# Renewable Energy, continued

- ✓ *“Create a logo that becomes more and more around because then people who are embracing the program are actually doing the advertising because then that logo gets out.” (Morristown, 8pm)*
- ✓ *“It is the single fastest growing segment of my business is assisting clients on renewable technologies. I’m working on one right now. It’s a two megawatt solar array, and it’ll be a 15 million dollar project. They’ll never pay that off in any reasonable amount of time, but again, for the company that’s doing it, it’s about the PR; it’s about what it symbolizes.” (Morristown, 6pm)*
- ✓ *“...it’s our job to sell a business owner or a homeowner on the advantages of going renewable; specifically solar, and some of the most important reasons business owners choose to do that is obviously to reduce operating costs, but to make up for the investment decision and creating energy from a resource that will never get more expensive for them.” (Morristown, 8pm)*
- ✓ *“When we sell a product, we do use the altruistic aspect if we can put it in our advertising that this product was made with [green energy]....” (Morristown, 8pm)*
- ✓ *“If you talk to somebody about Green Building, a building owner, the first thing they’re going to think is ‘ah yeah but that’s going to cost too much’.”(Hackensack, 8pm)*

# Renewable Energy, continued

- ✓ *“Everyone just cares about saving a buck.” (Hackensack, 8pm)*
- ✓ *“Global warming is what this is all about one way or another; to reduce energy cost, to reduce product dependency on fossil fuels.” (Hackensack, 8pm)*
- ✓ *“We were the first worldwide to have a rooftop solar ray. It had a lot to do with the rebates. We were fortunate to get over half of it paid for by either the state or the federal government.” (Morristown, 6pm)*
- ✓ *“I think the term ‘green’ is becoming more aware in the public right now.” (Morristown, 6pm)*
- ✓ *“People who are motivated to install solar, for instance, are motivated to do it regardless of the economics... clients need to be motivated by something other than economics.” (Morristown, 6pm)*



# Marketing Communications

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# Marketing Communications

(Reactions were solicited to draft marketing communications pieces focusing on New Jersey SmartStart Buildings: a design for a trade show booth, various print ads and a brochure.)

**The communications materials were received positively by most participants. Their appeal is limited for some by perceptions that the audience is restricted to large organizations and/or that the complexity of program participation is not addressed head-on.**

- Overall, about twice as many participants described their reactions to these materials as positive vs. neutral; only one person said negative.
- Positive comments about the drafts described them as clear, credible, informative, and well-designed and many said they would be motivated to seek more information, e.g., on the website.
- Some of those who felt less well-informed found the prescriptive measures listed on the back of the brochure to be helpful.
- Criticisms described the brochures as offering too little information or being dull and easy-to-ignore.
- A few complained that the programs are not as good or as easy to take advantage of as the materials imply. This prompted some discussion of red tape, bureaucratic procedures, long waits, etc.
- Some felt the materials were directed solely to large organizations and businesses.

# Marketing Communications, continued

- ✓ *“It would make me look into it more, you know, make me go to the website.” (Morristown, 8pm)*
- ✓ *“When you read them, they tend to give you a little bit of hope that you can get some information on finding out how to get some alternatives in other sources of energy.” (Hackensack, 8pm)*
- ✓ *“You’ll get free information on it and this could help you out. I look at that as something positive.” (Hackensack, 8pm)*
- ✓ *“It piques your interest in what it’s about and (makes) you want to check into it to learn more about it to get to the next step.” (Hackensack, 8pm)*
- ✓ *“I would want to learn more about what exactly – you know, what kind of incentives, what’s involved with that.” (Hackensack, 8pm)*
- ✓ *“There’s nothing really here that says you might save x percent in your state income tax or a credit might be such and such or you know, there’s no real specifics.” (Morristown, 8pm)*
- ✓ *“I always liked the fact that they always seem to show on most of these, these gorgeous, expensive, brand new high-end buildings on them...It’s just that if you’re someone that’s coming into this without particular knowledge of it, you know, I’d say you’d look at this and say well, gee, my building doesn’t look like this.” (Morristown, 6pm)*
- ✓ *“It says ‘contact your program representative’. I mean it’s not just go online, and I think that is a huge plus. I have such a great representative that works with us, and that has made all the difference in the program.” (Morristown, 6pm)*
- ✓ *“I think there’s some real quick ways to asses whether or not you need to be talking to these people. So they cover it, and they cover it in terms of design, considerations, and some funding.” (Morristown, 6pm)*

# Program Value Propositions and Attributes

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# Summary of Participation Ratings

Five program value propositions were provided to the participants and evaluated during each group. The descriptions are included in the Appendix to this report; the likelihood to participate ratings are summarized below and reactions are summarized in the following pages.

Value Proposition <sup>+</sup>	Wednesday December 5 6:00 pm Hackensack	Wednesday December 5 8:00 pm Hackensack	Thursday December 6 6:00 pm Morristown	Thursday December 6 8:00 pm Morristown
<b>New Jersey SmartStart Buildings</b>				
Very likely	3	7	3	4
Somewhat likely	4	3	3	2
Neither likely nor unlikely	1			1
Somewhat unlikely	1			
Very unlikely				
Already participatin/already adopted				
No answer specified			2	
<b>Clean Power Choice</b>				
Very likely			1	1
Somewhat likely	3	3	4	2
Neither likely nor unlikely	1	2	1	
Somewhat unlikely	2	2		1
Very unlikely	3	3		3
Already participatin/already adopted			1	
No answer specified			1	

**Legend:** Red shading=no payback period specified; Orange=five-year period specified; Yellow=fast payback specified (two to three years); Green=very fast payback specified(one year).

# Summary of Participation Ratings, continued

Value Proposition <sup>+</sup>	Wednesday December 5 6:00 pm Hackensack	Wednesday December 5 8:00 pm Hackensack	Thursday December 6 6:00 pm Morristown	Thursday December 6 8:00 pm Morristown
<b>Direct Install Program</b>				
Very likely	1	8	2	3
Somewhat likely	7	2	5	1
Neither likely nor unlikely	1			
Somewhat unlikely			1	
Very unlikely				1
Already participatin/already adopted				2
<b>Clean Energy Financing and Assistance Program</b>				
Very likely	3	7	4	3
Somewhat likely	2	3	3	2
Neither likely nor unlikely	2		1	
Somewhat unlikely	1			1
Very unlikely				
Already participatin/already adopted				
No answer specified	1			1
<b>Renewable Technologies Program</b>				
Very likely		6	3	2
Somewhat likely	1	3	2	3
Neither likely nor unlikely	1		2	1
Somewhat unlikely	1	1		1
Very unlikely	5			
Already participatin/already adopted				
No answer specified	1		1	
<p>Value propositions listed in order of presentation in Hackensack 6pm group. Hackensack 8pm group reversed the above order. Morristown 6pm group order: Direct Install, Clean Energy Financing, Renewable Technologies, NJ SmartStart, Clean Power Choice. Morristown 8pm group was a revers of the 6pm group order.</p>				

Legend: Red shading=no payback period specified; Orange=five-year period specified; Yellow=fast payback specified (two to three years); Green=very fast payback specified(one year).

# New Jersey SmartStart Buildings

**The program's positive attributes include appealing payback scenarios and technical assistance. There is apprehension concerning a business' initial outlay and the complexity of participation.**

- Seventeen said they were “very likely to participate,” 12 said “somewhat likely.”
- Key positives include the wide range of technologies and measures covered, confidence that bottom-line benefits can be achieved, and the program incentives which deliver attractive payback potential.
- Roadblocks included the complexity and time it takes to apply for the program and gain approval, and the perceived need to wait for the end of existing equipment's useful life.

# New Jersey SmartStart Buildings, continued

- ✓ *“The program in theory has been, over the last three years, pretty good, especially in the area of lighting, and you guys have mentioned two to three-year paybacks, but we’re jammed to get below two years every time. We actually need to be closer to one year in lighting to really fire somebody up to do it.” (Morristown, 6pm)*
- ✓ *“I like the fact that it covers 80 percent of the cost of doing the retrofit, but how much in real dollars does it really cost me to do it? How much do I have to lay out to retrofit to get the costs covered?” (Morristown, 8pm)*
- ✓ *“I think people would be very likely to get involved if they heard about this program and are educated about this program and understand that it’s not as difficult as they think it is to be involved.” (Morristown, 6pm)*
- ✓ *“I really also like the fact that you have the design support, technical assistance...really could use [that] expertise if you go this way.” (Morristown, 8pm)*
- ✓ *“If they made that website easier and if they just said ‘prescriptive lighting application,’ and you went into there and they walked you through a checklist of what you needed to include, it would be much, much easier. The registration form is online right now, [but] I’ve never been able to find that registration form where you can print it out.” (Morristown, 6pm)*
- ✓ *“There’s a point where if you’re not really motivated, if the rebate is not really a good part of the payback, then people are either not going to do it or they’re not even going to apply for it. We put in a lot of good systems that we haven’t gotten any rebates for.” (Morristown, 6pm)*



# Clean Energy Financing and Assistance Program

**The program's primary attractions are the potential for financial and technical assistance; however, there is skepticism regarding the specifics of the financing and the veracity of the payback claims.**

- Seventeen participants said they were “very likely to participate,” ten said “somewhat likely.”
- Key positives included the relatively large loans and grants available, which are seen as offering the potential for attractive paybacks. For some, the availability of consulting services to help them was also important.
- Roadblocks include the complexity of program involvement, the quality of equipment performance, and the potential slowness of project completion when participating.

# Clean Energy Financing and Assistance Program, continued

- ✓ *“As long as you put out there two to three-year payback, you’re going to get tremendous response. Everybody’s going to be interested because two to three years is attractive to almost everybody...and of course, you have free money out there, too, and especially public clients love the term free money.” (Morristown, 6pm)*
- ✓ *“It’s a low interest rate loan. I mean, what do they consider low these days?” (Morristown, 8pm)*
- ✓ *“There are plenty of companies out there...who are very small; small manufacturing firms, 20,000 square feet, 25,000 square foot buildings, who’d love to be more efficient, who want to be more green, but don’t necessarily have the capital to put up \$25, \$30,000 to do a project, but if they could get a low-cost, low-interest loan, it becomes more palatable to them. The big drawback is the fact that they’re extremely apprehensive about working with any state program because it becomes too complicated, too much paperwork, too many roadblocks, too many things they have to go around. They don’t have a department that has an energy department. They have an engineer who does it all.” (Morristown, 6pm)*
- ✓ *“It’s the combination of the low interest loans, the grants up to a half mil, and the consulting services, which I assume helps in design, which we have no expertise in...it’s quite a package. It’s kind of hard to resist. I think we’d give it priority.” (Morristown, 8pm)*
- ✓ *“..two to three years is just ridiculously aggressive. And to promise a client two to three years and then be able to pull it off, I don’t know if you could really do it.” (Morristown, 6pm)*
- ✓ *“I’m skeptical because the equipment itself...I don’t know how it would work in my environment. I don’t know how the quality – do you know what I’m saying? Equipment is very important in my business and more energy efficient equipment might not work as good, I need more knowledge about it.” (Hackensack, 8pm)*

# Clean Energy Financing and Assistance Program, continued

- ✓ *“I’ll take the fast payback. It’s really the key point, and everything – whatever the loans are or whatever percentage of the cost they cover, the fact that the payback is a year seems to be the key point.” (Hackensack, 8pm)*
- ✓ *“The major roadblock for some of my clients might be if participating in this were to slow down the project, because sometimes they’re looking for a really fast build-out.” (Hackensack, 8pm)*
- ✓ *“I’m questioning the payback time. How do they know ... it’s 3 years?” (Hackensack, 8pm)*

# Direct Install Program

**The comprehensive nature of the program is attractive to some, underscoring the need for full-service solutions among many businesses. Some are skeptical of the state's ability to provide this type of turnkey program.**

- Fourteen said they were “very likely to participate,” 15 said “somewhat likely.”
- For some, the “holistic” or “turnkey” nature of this program was a key positive. They liked the way it offers an opportunity to get expert help in evaluating and prioritizing across-the-board opportunities to save energy.
- Other positives included the wide range of technologies and measures covered, and the attractive payback periods.
- Roadblocks included the complexity and time it would take to apply for the program, gain approval, and go through the comprehensive process.
- A few participants expressed doubt that NJCEP has experts capable of conducting “whole building” audits.

## Direct Install Program, continued

- ✓ *“You’re not going to see two to three-year paybacks. So right off the bat, they’re creating a false expectation, and they’re trying to shoehorn a program, which is really going to be cherry picking a few technologies that have low paybacks and selling that as opposed to taking an overall approach and then letting the client decide which of those measures they want to install.” (Morristown, 6pm)*
- ✓ *“Costs, savings, payback periods, incentives, all of that, that exists today, but the state really hasn’t spent a lot of money promoting that. So when you start to do it this way, it’s going to create a project that’s not really necessarily in the best interest of the customer.” (Morristown, 6pm)*
- ✓ *“I think customers out there would be very interested in the overall concept of this, but if they had to deal with the state, they’re going to get a bad taste in their mouth immediately and they’re going to walk away from it. Rebate programs in the past have been absolutely horrendous obstacles to get through.” (Morristown, 6pm)*
- ✓ *“I think this program is important. Whether or not the state could get out of their own way do it is a whole other story.” (Morristown, 6pm)*
- ✓ *“I said neither likely or unlikely. It doesn’t say a lot about any cost or any savings to me, any help with the cost, no split it, nothing. It doesn’t give me any information on that at all. I don’t like that.” (Morristown, 8pm)*
- ✓ *“You really have to be awfully careful about who’s qualified to do that type of assessment, and then to come back and hold your hand to realize those savings...you need to develop a track record. You need to go out there and get some successes with these clients first.” (Morristown, 6pm)*
- ✓ *“There’s value in folks coming in and helping you understand your opportunities, defining them in terms of economics, helping you understand what might be the technical challenges or other issues for those that might not have all that ability.” (Morristown, 6pm)*

## Direct Install Program, continued

- ✓ *“This is going to bring me all money in the future, but the biggest thing I see is the cost up front. How much is it going to cost me to install a panel board on top of my roof up front? How much is that going to cost me as far as the electric bill?” (Hackensack, 8pm)*
- ✓ *“It’d be foolish not to look into what you can invest in and get your money back in a year. I mean there’s nothing out there you can do and get such a quick return on investment. But minimally you want to find out more about it, what other impact it’s going to have on the business as far as inconvenience or they’re going to have to shut down for a couple of days to get this done, is it going to be seamless? So more information would be helpful. I would not recommend increasing incentive anything if you get your money back in a year.” (Hackensack, 8pm)*
- ✓ *“On the personal side, I’d be very concerned about how, as a taxpayer or an electric rate payer, how I’m subsidizing such a great rate of return for a business.” (Hackensack, 8pm)*
- ✓ *“You know what I’d like to see? Some case studies, proven case studies that already happened who people – businesses that have used this and is it in fact money back in a year and how do they like it.” (Hackensack, 8pm)*
- ✓ *“You’d give the client the option to invest in what they felt they’d have the greatest – they wouldn’t have to do everything all at the same time.” (Hackensack, 8pm)*
- ✓ *“I got thousands of – hundreds of thousands of square feet to worry about. Turnkey is great for me.” (Hackensack, 8pm)*
- ✓ *“I would need to see the cost of this equipment to do this, if it’s cost effective for me.” (Hackensack, 8pm)*

# Renewable Technologies Program

**Attractions of the program mainly center around incentives and the alternative to traditional energy sources, which may offer more stable energy costs. Some, based on knowledge of the current situation, doubt the levels of incentives described.**

- Eleven said they were “very likely to participate,” nine said “somewhat likely.”
- Some end users and trade allies were very positive about the opportunity to stabilize electricity costs by adopting a clean, distributed solution, supported by incentives that promise attractive payback periods.
- Roadblocks: The program is not appropriate for all types of businesses and is especially difficult for businesses that do not own their own buildings to benefit from. Some doubted whether the incentives described in the program description are accurate and realistic, going forward.

- ✓ *“One of the things that has developed in our industry is the concept of the power purchase agreement where we’ll come in and even if they have the tax appetite but want to do something else with the money, we’ll come in and give them the solar energy system with the stipulation that they buy the electricity at a discount from what they’re paying now. So, it’s a wonderfully evolving product coming out of this. (Morristown, 8pm)”*
- ✓ *“If it’s a five-year payback I only have a five-year lease.” (Morristown, 8pm)”*

# Renewable Technologies Program, continued

- ✓ *“I think people should know where this funding is coming from.” (Morristown, 6pm)*
- ✓ *“My reaction is if this deal did exist, it would be a good deal. It won’t exist because they can’t fund the rebates at 50 to 60 percent any longer.” (Morristown, 6pm)*
- ✓ *“The biggest roadblock would probably be the remaining portion of the cost, as well as to some degree skepticism on the part of clients about whether the technology’s really going to continue to work or whether or not they can find people to service it.” (Hackensack, 8pm)*
- ✓ *“It’s a description of a program but it doesn’t really seem to give you any information really.” (Hackensack, 8pm)*
- ✓ *“Everything’s dependent on the tax benefits, and if the company can utilize those tax benefits.” (Morristown, 8pm)*
- ✓ *“If I was not knowledgeable at all about renewables and I just read this paragraph, well I would be looking for where do I get the next piece of information to get specific about it.” (Hackensack, 8pm)*
- ✓ *“Possibly a roadblock would be the paperwork involved. I’m kind of questioning how much you have to do to satisfy the requirements to make this program.” (Hackensack, 8pm)*
- ✓ *“The problem is the 60 percent capital cost recovery. I’m not really sure the incentives are enough to really do it. There’s a lot of other competing uses for the funds.” (Morristown, 8pm)*
- ✓ *“Oh, it’s great. Two or 3-year payback of anything.” (Hackensack, 8pm)*
- ✓ *“Add something that sells a value of this product as opposed to just you can get your money back in 3 years, otherwise it just becomes people looking for money as opposed to the value in renewable energy... include something on where the value is in owning such a system.” (Hackensack, 8pm)*



# Clean Power Choice Program

**There are some strong positive sentiments regarding the environmental benefits, however, the costs incurred in participation are mentioned frequently as a major drawback.**

- Two participants said they were “very likely to participate,” 12 said “somewhat likely.”
- Positive comments about the program focused on the desire and responsibility to do something to address global warming and the environment.
- Some also raised the possibility of finding ways to differentiate and gain customer support for their businesses as clean energy users.
- The chief roadblock noted was the extra cost of participating in Clean Power Choice.

# Clean Power Choice Program, continued

- ✓ *“It’s not just going to benefit me, it’s going to benefit other people.” (Morristown, 6pm)*
- ✓ *“There’s reliable audits to be done, there’s an evaluation piece in it. The turnaround is a good piece, and I think it’s very key, you’ve really got to have people that you can talk to [and] walk you through the things you need to do.” (Morristown, 6pm)*
- ✓ *“Everyone will want to use renewable energy and save the planet. Everyone wants to do that. They’ll look at the program and they’re going to say, ‘It’s going to cost me more,’ and it’s going to be an economic decision. I think in order to make that change, you have to educate the people as to what it means and what this program is.” (Morristown, 6pm)*
- ✓ *“What are the costs involved of buying this equipment? I mean what good is a 5 percent loan if I’ve got to finance a million dollars to do it. You know, and it’s going to – for a small business like mine, it just couldn’t work.” (Morristown, 8pm)*
- ✓ *“They’ll make a moral choice if they understand what the impact will be of using that renewable energy if it’s not going to cost them too much.” (Morristown, 6pm)*
- ✓ *“Frankly, if they take the money that they spend on advertising this and the handout, which is over a million dollars, they probably could’ve greened more power than what the subscribers have greened. Really, we have so much better opportunities to benefit by investing in our infrastructure, by using the other elements of the Clean Energy Program, the SmartStart in particular provides great incentives for me.” (Morristown, 6pm)*

# Communication Channels

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# Communications Channels

**A wide range of preferred communication channels were discussed. Frequent suggestions included utility bills, conferences/trade shows, industry publications, the NJCEP website, and “case study” publicity in major general-interest media.**

- A frequent suggestion was to send information along with utility bills. A few others suggested that NJCEP information could be included in other State of NJ mailings, e.g., about taxes or regulatory programs.
- Trade shows/conferences focusing on energy efficiency, energy management, and building construction were also frequently mentioned, although there was no consensus on which specific events to participate in.
- Others suggested that NJCEP should create its own statewide or regional conferences to educate interested end-users and trade allies about energy efficiency and the programs.
- Many participants said they read trade publications focusing on their specific industries, but few endorsed online methods.
- Participants noted that, given the programs’ complexity, marketing communications should be designed to build interest and encourage information-seeking. They emphasized the importance of making it easy to get (and understand) program information via the website, telephone, or in-person consulting.
- Publicity in major newspapers and on television was also mentioned. Some suggested promoting “case study” stories celebrating businesses that have used any of the programs to save energy, rather than only those that install solar systems.

## Communications Channels, continued

- ✓ *“I can just say from my industry, there is an association, community association institute that many, many condo associations and contractors that deal with us belong to. I mean, that’s a start to contact that population.” (Hackensack, 6pm)*
- ✓ *“Trade publications; magazines about my business. You know, put an ad in.” (Morristown, 8pm)*
- ✓ *“I think it’s effective when they put those little things in the bill, you know, I think there was one I got a while ago for putting in lights around your building, if you need extra lighting and they don’t charge you to install – that kind of thing. Just like very short, smart, directed marketing right in your bill.” (Hackensack 6pm)*
- ✓ *“Well, if I had to pinpoint the moment in my month that I was thinking about it the most, it would be in my electricity bill; a flyer inserted with my energy bill.” (Morristown 8pm)*
- ✓ *“Show an article, not an advertisement, do a full article.” (Hackensack, 6pm)*
- ✓ *“It could come with your mailings from various state agencies to companies. The Labor Department, their rulings, when surveys go out, tax documents, payroll taxes or sales tax.” (Morristown, 8pm)*
- ✓ *“You have trade shows for construction that normal people go to, that business people go to, that contractors go to, that big business goes to. They want to see what’s new, what’s out there.” (Hackensack, 6pm)*
- ✓ *“They wouldn’t get us [online]. They wouldn’t be able to get us.” (Hackensack, 6pm)*
- ✓ *“I get different things, but when something comes on your e-mail, you can tend to say, ‘I’ll look at that later.’” (Hackensack, 6pm)*
- ✓ *“Probably the best way to catch a million people a day that are driving past your billboard.” (Morristown, 8pm)*

State Role

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# State Role

**Business people support the State's role in encouraging energy efficiency and clean power and see it as legitimate, but they do question whether the State's efforts are as well-designed and productive as they could be.**

- Participants said that it is important and appropriate for the State to be taking a lead role in encouraging energy efficiency and clean power. (Note that those who feel otherwise would be less likely to participate in this form of research.)
- However, there was discussion of whether the State's activities are as well-thought-out and productive as they could be. Some felt there is too much emphasis on solar power. Others noted that the State is hard to do business with, mentioning red tape, bureaucracy, and long waits for approval.
- Asked to comment on the recent Business Survey finding that showed that business people believe the utilities do a better job of helping them manage energy than the State does, most participants seemed to agree...
- They noted that the utilities have been communicating about energy efficiency for a long time and, of late, have been increasingly focused on messages about efficiency and the environment.
- There was also further discussion of how hard it is to work with the State (red tape, etc.), as well as comments that the State does not do enough to let businesses know about the programs that are available.

## State Role, continued

- ✓ *“I have to say that I like the company that they hired to take care of the rebate program. I think they’re accessible, you can get them on the phone, they answer questions, I mean, you know, it could be better. They could be a little more efficient, they could have e-mail for instance, that would help. But it’s not like dealing with a huge bureaucracy, dealing with this new company.” (Hackensack, 6pm)*
- ✓ *“The state spends money frivolously on a lot of different things. You know, government just – it’s a scary thing. They’re trying to save businesses money by doing a program like this, but what does it cost the state to do that? How much of our tax dollars are being spent on this type of stuff?” (Morristown, 8pm)*
- ✓ *“[Dealing with the state is] absolutely a roadblock. You know, if you have to hire a consultant, you’ve already defeated the purpose of the whole thing.” (Hackensack, 6pm)*
- ✓ *“The state of New Jersey does a cyclical five year housing inspection in multi-housing units. They come out and we pay for them to fine us and find violations. They don’t look for anything like this [energy efficiency]. They don’t make any suggestions. I just paid \$10,000 for them to look at 280 units and tell me that 20 of them didn’t have smoke detectors. They should be making some suggestions. Leave some literature with the building manager or the super, you know, and say, ‘Here is somebody you can contact because your boiler is 57 years old, and maybe we can help you with something’.” (Hackensack, 6pm)*
- ✓ *“They [utilities] know more about it [energy efficiency].” (Hackensack, 6pm)*
- ✓ *“I don’t hear the state giving anybody any knowledge, any information.” (Hackensack, 6pm)*



## State Role, continued

- ✓ *“PSE&G is starting to put energy conservation information in their bills. If you read your bill and you look at last year’s usage and this year’s usage, they make some statements in there.” (Hackensack, 6pm)*
- ✓ *“Utility companies, if you look at what California is doing, it’s absolutely incredible, and it’s not because of Schwarzenegger, this has been going on for the last 20 years because of the smog situation.”*
- ✓ *“I think we all agree that education is just not there. We all would go to something if there were a seminar, you know, that would pique our interest, I think that some kind of educational program needs to be instituted. Just like we all took two hours tonight to come here... I actually learned some things tonight.” (Hackensack, 6pm)*
- ✓ *“The long waiting list for our customers, that is something we could never have anticipated and it’s very difficult to be a credible business and a trustworthy installer of solar energy when the waiting list gets exponentially longer and I have very little information to provide to my customers about why they’re waiting so long for the incentives that they thought would be there in a short period of time.” (Morristown, 8pm)*
- ✓ *“I think the communication about the program management has been less than sufficient. But even that said, you are in one of the best states in the nation for promoting renewable energy.” (Morristown, 8pm)*

# Energy Purchase Decisions

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# Energy Purchase Decisions

(Each group ended with a brief discussion of “choice.” )

**Knowledge of the availability of choice is widespread; motivation to shop and switch suppliers is not. There is much doubt that switching will be rewarded with substantial savings, and will be trouble-free.**

- Nearly all were aware that they can choose to purchase electricity and natural gas from alternative suppliers rather than their utility. Few had done so.
- Of those who had done so, while they had experienced cost savings, they had also experienced billing and other problems and had only caution to offer the less experienced.
- Reason for choosing an alternative supplier: Belief that cost savings will be significant.
- Reasons for not doing so:
  - ✓ Inertia
  - ✓ Belief that cost savings, if any, will be small
  - ✓ Distrust of alternative suppliers
  - ✓ Knowledge that there have been “billing problems,” supplier bankruptcies, etc.
  - ✓ Belief that utility service could be negatively impacted, e.g., that they might endure a longer outage than someone buying power from the utility.

## Energy Purchase Decisions, continued

- ✓ *“...Always concerned -- our business depends on having electric and heat and where utilities coming to you 24/7 you can't take a chance of going with somebody new when something happens.” (Morristown, 8pm)*
- ✓ *“I come from really large companies, typical large company bias and not really knowing what we'd be getting involved with, what the staying power is of these companies, how reliable they are. Will they be in this line of business years from now? Will they do this fairly efficiently? I have a lot of questions and I'm just not at all comfortable.” (Morristown, 8pm)*
- ✓ *“Fifteen, twenty percent [saving on natural gas], I don't know what the number would be, but it's substantial enough.” (Hackensack, 6pm)*
- ✓ *“Saved money, but now you're in the business of hedging your energy costs. You have to go out and figure out when to buy and how much to buy.” (Hackensack, 6pm)*
- ✓ *“Electricity we're better off with the utility company, but gas, we've saved money, but it's a pain in the neck doing it.” (Hackensack, 6pm)*
- ✓ *“And you have broker, so you have to pay the fees.” (Hackensack, 6pm)*
- ✓ *“Just have to watch those gas contracts because if you are not reading the fine print and you don't renew it, you lose it and you revert back.” (Hackensack, 6pm)*
- ✓ *“There are some bad experiences out there; you've really got to watch it.” (Hackensack, 6pm)*
- ✓ *“The accounting on the purchasing from third parties coming through your utility bill is abominable. We had to fire [company] because we had accounting irregularities.” (Hackensack, 6pm)*



# Appendix Group Materials and Participant Profiles

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# Discussion Guide

E07220 NJCEP Focus Groups  
12-5-07 F

## 2007 Business Customer Focus Groups Moderator's Guide

**Objectives:** The research will enable the development of focused value propositions, messages, and delivery strategies that align with customer decision-drivers, so NJCEP can refine plans to motivate and reach the business audience and build participation.

### INTRODUCTION (5 MINUTES)

- Moderator welcomes the participants and familiarizes them with the focus group rules and facility (e.g., no right or wrong answers, microphones, videotaping).
- Participants introduce themselves: First name, nature of business, have/have not been involved in energy efficiency or renewable energy programs with the NJCEP.
- Moderator introduces topic: Here to talk about NJCEP's programs for businesses and organizations in New Jersey. We'll be talking about existing programs and some possible new ideas, and getting your thoughts and reactions. What's good about them, what's not so good, what would make them better?
- Your ideas will be very valuable to us, so input from all sides is encouraged, although I may need to keep us on track from time-to-time.

### DISCUSSION OF ENERGY EFFICIENCY AND RENEWABLES (15 MINUTES)

**Objectives:** To better understand business people's needs, awareness, attitudes and perceptions about energy efficiency and renewable energy.

**Probe for:** (1) Steps they are taking to improve efficiency and/or use of clean energy, (2) Participation in efficiency or clean power programs, (3) Installation of renewable energy technology (i.e., solar panels).

We have a diverse group of people around the table, with different levels of interest and involvement in these topics. So, to start, let's have a discussion of why energy efficiency matters or doesn't especially matter to you: business or organization or your clients, for those who work with and advise other organizations.

- Does your organization need to care about energy efficiency? Why?
- Is energy efficiency important?
- How important?
- Why? What does it mean for your organization?

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- Have you already taken steps to increase efficiency? [If necessary, provide thought-starter examples: lighting, heating, cooling, water heating, motors and drives.]
  - What kinds of steps?
  - With what results?
  - Do you plan to do more?
- Have you set goals to improve efficiency? What are they?
- Have you run into any roadblocks in trying to be more efficient? What are they? Why is that a problem?
- What would help NJ businesses and organizations make faster progress toward energy efficiency?

Let's switch gears a bit and talk about renewable energy. So now the question on the table is why it matters or doesn't matter whether the electricity used in your organization comes from clean, renewable sources, such as solar power or wind.

- Does your organization or do your clients' organizations need to care about using renewable energy? Why?
- Is using renewable energy important?
- How important?
- Why? What does it mean for your business or organization? How do you benefit?
- Have you already taken steps to increase your organization's use of clean energy?
  - What kinds of steps?
  - With what results?
  - Do you plan to do more?
- Have you set goals to increase your use of renewable energy? What are they?
- Have you run into any roadblocks in trying to use renewables? What are they? Why is that a problem?
- What would help NJ businesses make faster progress toward using more clean, renewable energy?

### MARKETING COMMUNICATIONS (15 MINUTES)

**Objectives:** Gauge receptiveness to current and potential future message strategies and communication concepts.

**Probe for:** Words and concepts that work / words and concepts to avoid.

Now I'm going to ask you to look at some information that is being used, or might be used, to let people know about energy efficiency and renewable energy programs in New Jersey. This includes a design for a booth that you might see at a trade show or convention, along with some ads and some brochures designed for specific types of businesses and organizations.

Please take a few moments to look at these materials and read what they say.

[SHOW/HANDOUT ALL MATERIALS.]

# Discussion Guide

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What is your initial reaction to what you are seeing? Is your reaction:

Positive?

Neutral? [SHOW OF HANDS RECORD ON FLIP CHART.]

Negative?

All right, why? Explain to me why you have the reaction you do.

[Get positive, neutral and negative input, probing on:

- Credible/not credible. Why?
- Interesting and invites further curiosity, or dull and easy to ignore?
- Clarity of message – what is it trying to get across?
- What are they asking you to do?
- How would you improve it?]

## PROGRAM VALUE PROPOSITIONS AND ATTRIBUTES (30 MINUTES)

**Objectives:** Understand specific likes and dislikes with respect to current programs and offers. Identify and understand key motivating factors for participating, as well as roadblocks to participation. Explore levels of interest in current and potential future program designs/design elements.

**Probe for:** Opportunities to encourage more businesses to make investments in energy efficiency and clean energy.

Thanks for telling us what you think about these materials. This is great information. Now I would like to get even more specific. I'm going to hand out several program descriptions so we'll all have exactly the same information about each program, and ask you to jot down answers to a few questions about each one. Then we'll discuss them as a group. Some of them are existing programs and others are new ideas.

Moderator hands out first program description/value proposition and asks participants to read it and answer the questions below it. [See attached example.]

Discuss/probe program value propositions and attributes.

- Is your organization, or are your clients likely to participate? Why/why not?
- What do you like about this program?
- Why might your organization or clients want to participate? What are the key benefits? What would make it better?
- What do you dislike about it?
- What would stop you from participating? How can that be overcome? Why would that matter?
- [For existing programs] Why did/didn't you participate? (Lack of awareness? Other roadblocks?)

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- What if we tweak the program in this way [describe shorter payback, better ROI, or larger incentive]. Would that increase your organization's or clients' likelihood to participate. Why/why not?

[HAND OUT EACH PROGRAM DESCRIPTION IN TURN, AND FOLLOW THE SAME PROCESS. PROGRAMS WILL BE DISCUSSED IN A DIFFERENT, RANDOM ORDER IN EACH GROUP.]

[AFTER GOING THROUGH ALL DESCRIPTIONS] Alright, let's try to wrap up and summarize the discussion we've been having. Based on everything we have talked about:

- What are the program features and benefits that really matter to your organization? What characterizes a program you would really want to get involved with?
- OK, and how would you characterize a not-so-attractive program, one you would be likely to stay away from?
- What would make your organization more likely to make future investments in energy efficiency or renewable energy?"

## COMMUNICATION CHANNELS (15 MINUTES)

**Objectives:** Explore which channels/communication vehicles will work best to communicate program benefits to businesses.

**Probe for:** Key media and other communications channels; specific publications, websites, conferences, etc.; differences between end-users and trade allies.

Our final topic for this evening is how best to communicate with people like you. For those of you who have participated in programs or at least were aware of them, how did you learn about the programs?

- Through third parties/trade allies. Which ones took the lead?
- Media: which ones?
- Websites: which ones?
- Retailers: which ones? How communicated?
- Trade shows/conferences/events: which ones?
- Directly from NJCEP. Advertising, direct mail, website, other?

If you were working for the NJCEP, what methods would you use to get the word out about programs and services offered to businesses and organizations like yours?

## STATE ROLE (10 MINUTES)

**Objectives:** To understand their knowledge and attitudes about state sponsorship of programs, and what they feel the role of New Jersey's state government should be.

**Probe for:** Positives and negatives. Language used in discussing state's role. Consensus on how state could/should help them.

OK. We've been talking quite a bit about the kinds of things you can do to conserve energy and use cleaner energy and, for some of you, the ways in which you've taken advantage of state-sponsored programs to do that. Now I'd like to talk a bit about how you feel about the role the State of New Jersey is playing.

# Discussion Guide

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[Briefly REVIEW PROGRAMS AND ACTIVITIES MENTIONED SO FAR. WRITE NAMES ON FLIP CHART.]

- What else is the state doing that you may have heard about?
- Give me the names of any state programs you've heard about that support energy efficiency and renewable energy. [ADD TO FLIP CHART.]
- Discuss programs respondents are aware of, and what they know about them.
- Which do you think are the most effective programs? Why? What are the benefits?
- Which are less effective, why? What are the problems?
- What would make the programs more useful to you and your organization? What else?
- In general, how could the state provide more help to businesses and organizations like yours? What should they do differently? Why?

## ENERGY PURCHASING DECISIONS (10 MINUTES)

**Objectives:** To gauge participants' awareness of energy purchasing options, and gain a better understanding of factors that motivate business owners to consider those options.

**Probe for:** (1) Number of participants currently buying energy supplies from third parties; (2) reasons why they are doing so, and reasons why others are not; (3) awareness and perception of third party suppliers

OK, I'm going to ask you to change direction again. First of all, can anyone tell me, here in New Jersey, do businesses have to buy electricity and natural gas from the local utilities, or can you buy from other suppliers of "third parties."

[ASSUMING SOME PEOPLE KNOW ABOUT CHOICE ...] Does that surprise anyone? Don't be embarrassed, this is something many people may not know about. Please raise your hand if you were not aware until now that businesses have the right to purchase from alternative suppliers rather than the utility:

Electricity \_\_\_\_\_

[RECORD RESPONSES.]

Natural Gas \_\_\_\_\_

Well then, we have talked about reducing energy costs through efficiency and renewable resources, but now I'd like to turn our discussion towards another method that businesses might use to try to cut costs: Buying their electric and natural gas supplies from someone other than their utility.

- Are any of you presently buying either electric or gas supplies from third parties? [SHOW OF HANDS – RECORD RESULTS.] If so, what prompted you to make the switch?
- Are those of you buying from third parties satisfied with the service you're receiving and the prices you're paying? Why or why not?
- Have those of you are still buying your energy supplies from your local utilities ever explored the possibility of using third parties? Did you do it proactively, or were you contacted by one or more suppliers?
- If you received offers from one or more suppliers, what prompted you to turn them down? What would they have needed to offer you to make you say "Yes"?

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## WRAP UP (5 MINUTES)

OK, fine. Those are all the topics we wanted to cover with you tonight. But I would like to ask each of you to make a final comment.

Based on your feelings when we started and everything we have talked about tonight, what are your feelings now about these types of energy efficiency and renewable energy programs?

Will the information we have discussed tonight make you more or less likely to get involved in these types of programs in the future? Why/Why not?

What did you learn that made you change your opinion?

**Thank participants and remind them to collect incentive checks.**



# Value Proposition Handouts

E07220 NJCEP Focus Groups  
12-6-07 F.M6

## Direct Install Program

This program offers eligible small business customers the opportunity to retrofit their existing equipment with more energy efficient systems. The program identifies all cost-effective efficiency retrofit opportunities and provides direct installation, financial incentives, education, and other strategies to encourage the early replacement of existing equipment with high efficiency alternatives, as well as the installation of new equipment. All energy-using systems are eligible, including: lighting, controls, refrigeration, HVAC, motors, and variable speed drives. This turnkey program provides customers with a single source of information, technical assistance, financial incentives and a comprehensive package of energy efficiency improvements for each project.

The financial incentives usually result in an investment payback period of one year.

1. How likely would your organization or clients be to participate in this program?

- Very likely  
 Somewhat likely  
 Neither likely nor unlikely  
 Somewhat unlikely  
 Very unlikely  
 Already participating/have already adopted these measures

2. What is the best thing about this program, from your organization's/clients' point of view?

3. What is the worst aspect of this program – the biggest roadblock that might keep you or your clients from participating?

4. Other than simply increasing the incentive, how would you change the program to make it more relevant to your organization/clients?

E07220 NJCEP Focus Groups  
12-6-07 F.M6

## Clean Energy Financing and Assistance Program

Under this program, help is available for businesses that want to undertake energy efficiency and renewable energy projects in New Jersey. The program makes it more affordable and cost effective for businesses to invest in the most efficient equipment, and realize substantial energy cost savings as well as environmental benefits through the use of the cleanest forms of energy.

The program provides low-interest loans up to \$1 million, grants up to \$500,000 and consultant services. It typically delivers an investment payback period of one year.

1. How likely would your organization or clients be to participate in this program?

- Very likely  
 Somewhat likely  
 Neither likely nor unlikely  
 Somewhat unlikely  
 Very unlikely  
 Already participating/have already adopted these measures

2. What is the best thing about this program, from your organization's/clients' point of view?

3. What is the worst aspect of this program – the biggest roadblock that might keep you or your clients from participating?

4. Other than simply increasing the incentive, how would you change the program to make it more relevant to your organization/clients?

# Value Proposition Handouts

E07220 NJCEP Focus Groups  
12-6-07 F M6

## Renewable Technologies Program

This program offers financial incentives, technical support and educational materials to support the installation of technologies that enable businesses to produce their own electricity from renewable sources, such as solar panels, wind power, or fuel cells. These systems help protect the environment and reduce the strain on the existing electric transmission and distribution grid.

The program provides financial incentives for qualified installations that cover 50-60% of the capital cost. This usually results in an investment payback period of three years.

1. How likely would your organization or clients be to participate in this program?

- Very likely
- Somewhat likely
- Neither likely nor unlikely
- Somewhat unlikely
- Very unlikely
- Already participating/have already adopted these measures

2. What is the best thing about this program, from your organization's/clients' point of view?

3. What is the worst aspect of this program – the biggest roadblock that might keep you or your clients from participating?

4. Other than simply increasing the incentive, how would you change the program to make it more relevant to your organization/clients?

E07220 NJCEP Focus Groups  
12-6-07 F M6

## New Jersey SmartStart Buildings

This program addresses heating, ventilation, and air conditioning equipment (HVAC), water heating, motors and drives, and lighting technologies. A number of high-efficiency options exist that can significantly reduce the cost of electricity and/or natural gas. The program helps building owners to invest in energy efficient equipment for new construction or retrofit by covering about 80% of the increased cost of the equipment. It also provides design support and technical assistance in evaluating which measures make the most sense economically.

The program provides financial incentives that usually result in an investment payback period of one year.

1. How likely would your organization or clients be to participate in this program?

- Very likely
- Somewhat likely
- Neither likely nor unlikely
- Somewhat unlikely
- Very unlikely
- Already participating/have already adopted these measures

2. What is the best thing about this program, from your organization's/clients' point of view?

3. What is the worst aspect of this program – the biggest roadblock that might keep you or your clients from participating?

4. Other than simply increasing the incentive, how would you change the program to make it more relevant to your organization/clients?

# Value Proposition Handouts

E07220 NJCEP Focus Groups  
12-6-07 FM6

## Clean Power Choice

This program delivers renewable power to businesses that may not be able to install solar or other equipment due to a variety of reasons including: lack of appropriate facility area, budgets, zoning, or too much shade. Although the purchase of renewable energy is an added cost, the National Renewable Energy Labs reports that an increasing number of businesses have decided to purchase renewable energy. Benefits include: competitive advantage; customer satisfaction/loyalty; contributing to/supporting the development of renewable energy; offsetting environmental impacts; recognition/award programs (by EPA Green Power Partnership, NJClean Energy, professional associations and non-governmental organizations); participating in sector-wide efforts; and employee loyalty.

- How likely would your organization or clients be to participate in this program?
  - Very likely
  - Somewhat likely
  - Neither likely nor unlikely
  - Somewhat unlikely
  - Very unlikely
  - Already participating/have already adopted these measures
- What is the best thing about this program, from your organization's/clients' point of view?
- What is the worst aspect of this program – the biggest roadblock that might keep you or your clients from participating?
- Other than simply increasing the incentive, how would you change the program to make it more relevant to your organization/clients?

The order of the value propositions varied in each group:

### Hackensack 6pm:

- New Jersey SmartStart Buildings (2- to 3-year payback period specified)**
- Clean Power Choice (no payback period specified)**
- Direct Install Program (2- to 3-year payback period specified)**
- Clean Energy Financing and Assistance Program (2- to 3-year payback period specified)**
- Renewable Technologies Program (5-year payback period specified)**

### Hackensack 8pm:

**Reverse above order (with “very fast” one-year payback periods specified for SmartStart, Direct Install and Clean Energy Financing and Assistance Programs and a three-year payback period specified for Renewable Technologies)**

### Morristown 6pm (same payback periods specified as in Hackensack 6pm)

- Direct Install Program**
- Clean Energy Financing and Assistance Program**
- Renewable Technologies Program**
- New Jersey SmartStart Buildings**
- Clean Power Choice**

### Morristown 8PM (same payback periods specified as in Hackensack 6pm)

**Reverse above order**



# New Jersey SmartStart Buildings- Transcription of Written Responses

## Very likely:

### 2. What is the best thing about this program, from your organization's/clients' point of view?

Payback-env.

Cost savings (3)

Fast payback (2)

It's extremely usable a lot of people could understand it

Savings customers money in future/savings our environment in future

Well the turnover could/should be sooner

Most of the initial capital cost is covered & they will provide technical support in making this decision

80% cost 1 design

Can cut consumption by ½

Having all areas included

2-3 year 80% of increase cost

Helps achieve a good payback

### 3. What is the worst aspect of this program-the biggest roadblock that might keep you or your clients from participating?

Payback-env

If it were to slow down the project

Doesn't touch on other cost efficient ways to save money

How much is "significantly reduce" under what conditions?

Delay in business

Not ready to invest in replacement equipment

Well the turnover rate to long

Too difficult physically to retrofit an older building

# New Jersey SmartStart Buildings- Transcription of Written Responses

## Very Likely (continued):

### 3. What is the worst aspect of this program-the biggest roadblock that might keep you or your clients from participating?

Dealing with the applications and state

Proving the increased cost

Working through paperwork

### 4. Other than simply increasing the incentive, how would you change the program to make it more relevant to your organization/clients?

Stress env. Benefits

Make it turn key

Educate architects and engineers about the programs. Let them be your messengers...

Add in oil reducing ways to burn energy

Start by getting big companies to get invested in residential house and homes

Shorter payback period

Some indication # years to recover 80% of cost

Involve the installers/contractors more!

Make it easier

How can you guarantee a 2-3 year payback

Perhaps better assistance with paperwork

# New Jersey SmartStart Buildings- Transcription of Written Responses

## Somewhat likely:

### 2. What is the best thing about this program, from your organization's/clients' point of view?

System upgrades

Reduces cost of electricity and or natural gas. Payback of 1 yr.

Cost-new customers

2-3 year payback works they hear 2 years they become interested. 80% coverage of increased costs make them actually do it

Much more education provided by NJ to the actual customer

Technical support and assistance in evaluating

Short payback, new equipment

Helps offset costs and payback period

The support provided to navigate choices

Covers 80% of cost

Saving money, being more efficient

### 3. What is the worst aspect of this program-the biggest roadblock that might keep you or your clients from participating?

Financial

Time

Knowledge-maintenance-training of equipment use. Repairs/replacement feasible, payback shorter, would be better covered to new construction

Payback, education and financial help

Unclear as to the payback/interest. Is it a loan or rebates?

Risk w/ change and new equipment, old alterations required

Price of equipment

Negative rumors about the time involved with re-couping rebates

Do not know how much in real dollars you have to layout to retrofit

# New Jersey SmartStart Buildings- Transcription of Written Responses

## Somewhat likely (continued):

### 4. Other than simply increasing the incentive, how would you change the program to make it more relevant to your organization/clients?

Environmental

Education of the clients and low interest loans, zero% to 2.5% provided by the state of NJ.

Be more specific on how residential buildings can benefit

Educate engineering community, low interest loan program

If I don't own the building the concept doesn't seem relevant to me. I would not know what to suggest to building owners

# New Jersey SmartStart Buildings- Transcription of Written Responses

## Neither likely nor unlikely:

### 2. What is the best thing about this program, from your organization's/clients' point of view?

The possibility of getting help in educating our organization on energy efficiency  
Sounds great-on the surface

### 3. What is the worst aspect of this program-the biggest roadblock that might keep you or your clients from participating?

Slow payback/increased upfront costs for the organization  
It creates false expectations with unrealistically low paybacks

### 4. Other than simply increasing the incentive, how would you change the program to make it more relevant to your organization/clients?

Institute financing availability  
Do not talk about paybacks. Promote this with the same vigor that solar has been promoted by the BPU

## Somewhat unlikely:

### 2. What is the best thing about this program, from your organization's/clients' point of view?

It might help educate them as to possible new technologies

### 3. What is the worst aspect of this program-the biggest roadblock that might keep you or your clients from participating?

Too long payback period

### 4. Other than simply increasing the incentive, how would you change the program to make it more relevant to your organization/clients?

Offer other types of incentives or penalties



# Clean Energy Financing and Assistance Program- Transcription of Written Responses

## Very Likely:

### 2. What is the best thing about this program, from your organization's/clients' point of view?

Consultant services

Very fast payback of one year is the key point (4)

Saving money, saving environment

Payback- env. Concerns

Saving money

More specific in terms of money

Well the low interest loans is grants (5)

Free money, initial evaluation/screening

Reduce investment threshold

Helps upfront investment

Making funds available to companies who may not be in a position to undertake a project

All of #2- esp. consultant service for energy audits

### 3. What is the worst aspect of this program-the biggest roadblock that might keep you or your clients from participating?

If participation were to slow down the project.

Money, knowledge 1<sup>st</sup> step

? Cost to middle class to cover cost of incentives to businesses

Money up front

# Clean Energy Financing and Assistance Program- Transcription of Written Responses

## Very Likely (continued):

### 3. What is the worst aspect of this program-the biggest roadblock that might keep you or your clients from participating?

Lack of details

No incentive to upgrade if existing

Don't apply to my clients

Not much the big bucks looks good and enticing

Complicated

Not sure how long we will be in the space we're in. How difficult to get loan?

Not large enough...

None

Dealing with the state

Trust- reliable people to deal with all along the program. How is it (program) evaluated overall

Can't pull it off

### 4. Other than simply increasing the incentive, how would you change the program to make it more relevant to your organization/clients?

Stress other benefits of program

Elaborate on "businesses"

Give it to the people in condos for less

Advertisement & education make the grants easier to obtain. In my experience one out of 100 grants are obtained make grants time period less

Clear detailed info on payback comparison

Relate more closely the advantages of clean energy to the purchaser of energy vs. building owner

Change the SREC program to a feed-in-tariff

Local/state advertising listing companies that participate

Moral values connected to the program that is concrete-relevant to U.N. global program

# Clean Energy Financing and Assistance Program- Transcription of Written Responses

## Somewhat likely:

### 2. What is the best thing about this program, from your organization's/clients' point of view?

- Grant up to \$500,000, payback period of 1 yr. (3)
- Cost & help is available to attain funds
- Low interest loans (3)
- How low is the interest rate
- Financial incentives, consultant service, payback period
- It would be great if they buy this program
- It offers an option to the client if they do not have capital available

### 3. What is the worst aspect of this program-the biggest roadblock that might keep you or your clients from participating?

- Time-and quality of equipment
- Funds are almost non-existent
- Geared to big business institutions only, residential uses more energy then all
- Fear of change
- Need to pass the corporate engineers
- It promotes an artificially low payback w/o any justification
- Cost (3)

# Clean Energy Financing and Assistance Program- Transcription of Written Responses

## **Somewhat likely (continued):**

### **4. Other than simply increasing the incentive, how would you change the program to make it more relevant to your organization/clients?**

More knowledge

Alternative means to finance

Offer to residential use

Penalties for non-compliance

Do not talk about payback

## **Neither likely nor unlikely:**

### **2. What is the best thing about this program, from your organization's/clients' point of view?**

Low cost financing and quick payback

Low interest loans

### **3. What is the worst aspect of this program-the biggest roadblock that might keep you or your clients from participating?**

Co. is still spending big bucks

# Clean Energy Financing and Assistance Program- Transcription of Written Responses

## Somewhat unlikely:

### 2. What is the best thing about this program, from your organization's/clients' point of view?

Availability of financing  
It is only about incentives

### 3. What is the worst aspect of this program-the biggest roadblock that might keep you or your clients from participating?

Low int. loans (good) up to \$1 million may not be enough  
Knowing that we are paying as real payers

### 4. Other than simply increasing the incentive, how would you change the program to make it more relevant to your organization/clients?

Offer higher loan limits  
It is only about incentives

# Renewable Technologies Program- Transcription of Written Responses

## Very likely:

### 2. What is the best thing about this program, from your organization's/clients' point of view?

Saving money while benefiting the environment & positive public image

Saving money, saving environment

It addresses the primary obstacle to including these technologies into a project: cost

Produces clean, cheap (long run), electricity

The cost savings of electric during peak summer months using solar power

Large initial investment is cut in half

Unbelievable payback and incentives. (4)

That it happens in 2008 and economically feasible

### 3. What is the worst aspect of this program-the biggest roadblock that might keep you or your clients from participating?

Possibly paperwork

Initial outlay

Cost up front

Expecting 100% or more power from solution

The remaining cost

Large dollar investment, too dependent on federal tapes! SRECS not financeable!

Cost to install

Lack of knowledge or unsure of feasibility

Realizing projects that payback in 10 years

It doesn't start

# Renewable Technologies Program- Transcription of Written Responses

## Very likely (continued):

### 4. Other than simply increasing the incentive, how would you change the program to make it more relevant to your organization/clients?

Need more detail

More available

Sell value not just incentive

Low interest loans or no interest

More information

Proof of payback, more help from the state. Show me about the alternative energy power system (APES) George R. Briigliodoro  
[misterbriggs@yahoo.com](mailto:misterbriggs@yahoo.com) 845-781-0358

Explain financial incentives

Broader definition of renewable

Guarantee it pays back

## Somewhat likely:

### 2. What is the best thing about this program, from your organization's/clients' point of view?

5 year payback (3)

Biggest potential for savings

Upfront money!!!

Another area that our company can open new doors to

Financial incentives, technical support helps protect the environment

### 3. What is the worst aspect of this program-the biggest roadblock that might keep you or your clients from participating?

50-60% capital cost

Investment threshold

# Renewable Technologies Program- Transcription of Written Responses

## Somewhat likely (continued):

### 4. Other than simply increasing the incentive, how would you change the program to make it more relevant to your organization/clients?

3 year payback would be better

Provide loan fund

## Neither likely nor unlikely:

### 2. What is the best thing about this program, from your organization's/clients' point of view?

Renewable energy use

Financial incentives & payback period renewable technology-can advertise clean environment

Savings

### 3. What is the worst aspect of this program-the biggest roadblock that might keep you or your clients from participating?

Not enough financial help. 5 year payback-N.G.

On leased buildings-should you invest financially

Time before savings kick in

## Somewhat unlikely:

### 2. What is the best thing about this program, from your organization's/clients' point of view?

Financial assistance, enviro. Friendly



# Renewable Technologies Program- Transcription of Written Responses

## Somewhat unlikely (continued):

### 3. What is the worst aspect of this program-the biggest roadblock that might keep you or your clients from participating?

Long term payback, risk

They love solar and generating their own power

Sounds good- on the surface

Still need to pay 50-60%, 5 year payback a little too long

It is unrealistic

This might only apply to big properties for our company

### 4. Other than simply increasing the incentive, how would you change the program to make it more relevant to your organization/clients?

Do not set false expectations regarding paybacks

# Direct Install Program- Transcription of Written Responses

## Very likely:

### 2. What is the best thing about this program, from your organization's/clients' point of view?

Turn key program (3)

Upgrade systems-use less energy

Save money on energy cost, good for environment

Fast payback (3)

Saving money, saving environment

Initial education, phasing of possible upgrades/new installation

Save money

Financial incentives, technical assistance, education

Encourages early replacements

Retrofit-with payback 2-3 years

Identify all cost effective retrofit opportunities

Energy savings, rebate incentives, a public witness factor

2-3 year payback and the fact is a single source for contact

### 3. What is the worst aspect of this program-the biggest roadblock that might keep you or your clients from participating?

How due you implement the program

Concern about it slowing down a construction project

Cost (3)

Time & inconvenience/loss of business to do upgrades?

Some initial investment upfront

# Direct Install Program- Transcription of Written Responses

## Very likely (continued):

### 3. What is the worst aspect of this program-the biggest roadblock that might keep you or your clients from participating?

- Large investment
- Initial costs unknown
- Working with the state
- Financial assistance for energy audits
- My own company may lose business
- Capital outlay, fear of change
- Time

### 4. Other than simply increasing the incentive, how would you change the program to make it more relevant to your organization/clients?

- Add samples with sample savings, payback...
- Easier access
- Good people at state level to discuss and facilitate the system/program, track-record-evaluation
- Needs to be flexible
- Educate architects and engineers about the programs-thoroughly
- Provide additional info on inconvenience and annual savings
- Prioritize items
- Stress env. Benefits
- More knowledge

# Direct Install Program- Transcription of Written Responses

## Somewhat likely:

### 2. What is the best thing about this program, from your organization's/clients' point of view?

Cost-effective efficiency, investment payback period of 1 yr, turnkey program

Energy savings

One stop shopping-opens door-does not state any costs, 2-3 year payback OK

Initial cost

One stop shop resource

Quick payback

Save money

1 single source of info

EE is the single best way to manage energy

Assessment, recommendation, incentives

### 3. What is the worst aspect of this program-the biggest roadblock that might keep you or your clients from participating?

Cost (5)

To spend money on new equipment before end of life on old equipment

Time on retrofits-excess cost of equipment

Initial cost

"Small business"

Risk losing control

What if I don't own my building? What incentive does my landlord have for making these improvements on my behalf?

Financial incentives vague

Entities who have made environmental improvements have trouble paying back

# Direct Install Program- Transcription of Written Responses

## Somewhat likely (continued):

### 4. Other than simply increasing the incentive, how would you change the program to make it more relevant to your organization/clients?

Financing

Offer finance

Low cost loan from the state of NJ. Incentives are only ½.

Offer financing low interest

Offering financing

State licensed consultants at incentive rates

Need to develop track record

## Neither likely nor unlikely:

### 2. What is the best thing about this program, from your organization's/clients' point of view?

The best thing is the turn over BE is months

### 3. What is the worst aspect of this program-the biggest roadblock that might keep you or your clients from participating?

The same cost

### 4. Other than simply increasing the incentive, how would you change the program to make it more relevant to your organization/clients?

By changing the systems to work better

# Direct Install Program- Transcription of Written Responses

## Very unlikely:

### 2. What is the best thing about this program, from your organization's/clients' point of view?

It sounds great-on the surface

### 3. What is the worst aspect of this program-the biggest roadblock that might keep you or your clients from participating?

The BPU and utilities have consistently failed when they try to get into unregulated businesses

### 4. Other than simply increasing the incentive, how would you change the program to make it more relevant to your organization/clients?

Do not talk about paybacks that may not be realistic

## Already participating/have already adopted these measures:

### 2. What is the best thing about this program, from your organization's/clients' point of view?

"To save money"

### 3. What is the worst aspect of this program-the biggest roadblock that might keep you or your clients from participating?

Need to have précised numbers (Cost, ROI) to justify the project which can't be done in one year

# Clean Power Choice- Transcription of Written Responses

## Very likely:

### 2. What is the best thing about this program, from your organization's/clients' point of view?

Save \$/green power

Gives customers an opportunity to participate at same level and make moral choices for renewable energy sources

### 3. What is the worst aspect of this program-the biggest roadblock that might keep you or your clients from participating?

Not enough information

### 4. Other than simply increasing the incentive, how would you change the program to make it more relevant to your organization/clients?

Add case samples to demonstrate what they might save/offset

Renewable energy that supports sustainability

## Somewhat likely:

### 2. What is the best thing about this program, from your organization's/clients' point of view?

Green energy exposure, free advertisement

Cost/benefit

Saving money in the long run & not harming our earth

Recognition award programs

Development of reward program-recognition

Saving money

Hits a bigger range of clients

# Clean Power Choice- Transcription of Written Responses

## Somewhat likely (continued):

### 3. What is the worst aspect of this program-the biggest roadblock that might keep you or your clients from participating?

Cost (4)

Time

Initial cost, projected payback and debt service

Businesses are ear marked benefits not great

How much will it cost & how fast will I see a return

Do not know much about how the program works

Have to believe it's a good thing

Proving this project will work

### 4. Other than simply increasing the incentive, how would you change the program to make it more relevant to your organization/clients?

No mention of incentives

Skepticism that there would be a benefit suggests that there should be some case studies or specific examples

Zero to 2.5% loans over the projected payback. (Bottom line) exposure exposure exposure

Address residential buildings

Stressing how much we will save

More state pursue info on participants



# Clean Power Choice- Transcription of Written Responses

## Neither likely nor unlikely:

### 2. What is the best thing about this program, from your organization's/clients' point of view?

Supporting the development of renewable energy

The best thing people want to see rebates before they get in it

Good for advertising products by stating used clean renewable energy

### 3. What is the worst aspect of this program-the biggest roadblock that might keep you or your clients from participating?

The added cost (3)

The time it takes to see the turnover and not be affordable

### 4. Other than simply increasing the incentive, how would you change the program to make it more relevant to your organization/clients?

By showing them and taking out ads

## Somewhat unlikely:

### 2. What is the best thing about this program, from your organization's/clients' point of view?

Only for those environmentally conscious

Rewards all programs

Negligible

Creating access to something they may not of been able to get on their own

# Clean Power Choice- Transcription of Written Responses

## Somewhat unlikely (continued):

### 3. What is the worst aspect of this program-the biggest roadblock that might keep you or your clients from participating?

Increases cost (3)

Doesn't apply to solar, has some drawbacks

No cost listed, but it will increase

### 4. Other than simply increasing the incentive, how would you change the program to make it more relevant to your organization/clients?

Economic/global/political costs if we don't do this

Institute penalties for non-compliance offer marketing to reward compliance

None except for fines for not using it

## Very unlikely:

### 2. What is the best thing about this program, from your organization's/clients' point of view?

Good PR

Environmental benefits

Cost savings to reduce energy without out of pocket money

Allows clients to feel like they are doing something green

In theory, everyone wants to use renewable energy

Opportunity to green power

Saving \$, saving environment

# Clean Power Choice- Transcription of Written Responses

## Very unlikely:

### 3. What is the worst aspect of this program-the biggest roadblock that might keep you or your clients from participating?

How do they get their renewable energy (2)

Cost (3)

It is window dressing that has minimal, if any, real positive effects on the environment

Customers will look at this program, and believe it will cost them more

The added cost does not apply to residential housing

### 4. Other than simply increasing the incentive, how would you change the program to make it more relevant to your organization/clients?

Economic/global/political costs if we don't do this

Institute penalties for non-compliance offer marketing to reward compliance

None except for fines for not using it

Focus marketing efforts on installing energy efficient technologies

Educate

Use money that is spent on advertising program, to buy green power

By showing big savings in energy in the short term

Higher promotion of PR events incl. participants in ad campaign

# Clean Power Choice- Transcription of Written Responses

**Already participating/have already adopted these measures:**

**2. What is the best thing about this program, from your organization's/clients' point of view?**

We can claim to run our business from "green" energy. Use it as a marketing tool.

**3. What is the worst aspect of this program-the biggest roadblock that might keep you or your clients from participating?**

More expensive

**4. Other than simply increasing the incentive, how would you change the program to make it more relevant to your organization/clients?**

Have a carbon footprint measurement visible to public to show how we're off-setting our carbon footprint

# Group Profiles

Recruit 13 to seat 10 per group Report date: 12/06	Wednesday December 5 6:00 pm Hackensack	Wednesday December 5 8:00 pm Hackensack	Thursday December 6 6:00 pm Morristown	Thursday December 6 8:00 pm Morristown
<b>QA. Participant Type - Number = 2-3 per segment per group</b>				
End-User Participant	2	1	1	
End-User Non-Participant	2	4	4	5
Trade Ally Participant	3	4	4	2
Trade Ally Non-Participant	4	3		1
<b>QB. Energy Type (Client Sample)</b>				
Energy Efficiency: 2-4 per group	5	2	4	1
Renewable Energy: 1-3 per group		3	1	1
<b>Q2. Type of Energy Usage (End Customer) - As falls</b>				
Natural gas and electricity	4	5	4	4
Electricity only			1	1
<b>Q2. Energy Decisions (Trade Ally) - As falls</b>				
Natural gas and electricity	5	7	2	2
Electricity only	2		2	1
<b>Q3. Average Monthly Energy Bill (End Customer)</b>				
\$4,000-\$7,999: max of 3 per location	1	2	1	5
\$8,000-\$79,999: min of 2 per group	3	2	3	
\$80,000 or more: min 1 per group		1	1	
<b>Q3. Average Design &amp; Construction Budget (Trade Ally)</b>				
\$25k-\$99k: max of 3 per location	2	2	1	1
\$100k-\$999k: min of 2 per group	3	4	2	1
\$1M or more: min of 1 per group	2	1	1	1
<b>Q4. Organization's Primary Activity (End Customer) - Min of 1 per type across all groups</b>				
Retail				3
Restaurant		1		1
Property Management: Large ofc bldg	3	1	2	
Property Management: Small ofc bldg				
Grocery				
Schools		1		
Colleges				
Warehouse	1	1		3
Health				
Lodging			2	
Public Assembly				
Financial Services				
Other		1	1	
<b>Q4. Organization's Primary Activity (Trade Ally) - As falls</b>				
Architecture	1	2		
Construction contracting	1	2		
HVAC contracting	1	1		
Electrical contracting	2	1		
Engineering design			2	
Lighting design/installation	1		1	
Energy service company (ESCO)	1			
Design/build organization				2
Other	1	1	1	1
<b>RECORD NUMBER RECRUITED TO DATE</b>				
	11	12	9	8

