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RMI Outlet
Plug Into New Ideas

An Award-Winning Efficiency Program in Fort Collins, Colorado

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Like other forward-thinking cities, Fort Collins—a city of 167,500 located in northern Colorado—had a goal to cut greenhouse gas emissions 80 percent by 2050. However, following a Rocky Mountain Institute e-Lab design charrette, the city decided to see if it could push that goal up 20 years. RMI's *Stepping Up: Benefits and Cost of Accelerating Fort Collins' Energy and Climate Goals* report showed it was possible, and now the city is on its way to eliminating 80 percent of its greenhouse gas emissions by 2030 and eliminating them entirely by 2050. This impressive feat is partly due to a pilot program born from a yearlong RMI engagement with the city's utility to design a new integrated utility services model to get more residential homes implementing energy efficiency and renewable energy. The successful project is now receiving the Energy Innovator Award from the American Public Power Association (APPA).

Setting Ambitious Goals

Fort Collins Utilities (Utilities) is a municipal utility serving about 63,000 residential customers. In 2009, Utilities set out to improve the quality of home efficiency services available in the community. Through its Efficiency Works-Home program, Utilities created installation standards, a contractor network, and training programs so that homeowners could have confidence in the quality of work being done on their homes. However, Utilities realized its à la carte approach didn't work for all customers.

"Continuing with the same results will not reach Fort Collins' energy and climate goals; we need to make it vastly simpler for customers to participate," says John Phelan, resource conservation manager at Fort Collins Utilities. "We had to scale the results and participation in the program without compromising quality." So with RMI's help, Utilities set out to grow the number of customers in its renewable energy and efficiency programs, and to create a program that would be a win-win-win for customers, Fort Collins Utilities, and contractors. This led to the Efficiency Works-Neighborhood Pilot.

Pushing the Envelope

Utilities around the country have efficiency programs; however, Fort Collins wanted to take its project to the next level. "Utilities started doing efficiency programs by implementing the low-hanging fruit. Now that they already have early adopters doing the easy projects, the question is how to take the next step, getting more people involved and getting to deeper savings," says RMI manager Jacob Corvidae. "Fort Collins is doing that by taking the best practices from

efficiency projects around the country and putting them in one streamlined process for their customers. It's like having all the best flavors of ice cream in one bowl."

Mike Hyland, senior vice president of engineering services at APPA adds, "Utilities around the country have found that energy efficiency programs stall after enrolling the first tier of interested consumers. What Fort Collins did was take a step back to figure out how to remove the barriers keeping the rest of the consumers from joining."

To increase participation in energy efficiency and renewable energy programs, the model includes an audit by a third-party home performance expert that results in three package options that are presented in the same site visit: good, better, and best. Utilities selects a qualified contractor to complete the upgrades, which during the pilot could be financed up to 100 percent on the customer's monthly bill without increasing the customer's monthly costs.

Successes and Lessons Learned

The pilot program ran for a year and half, and was extremely successful, more than tripling the number of customers proceeding with energy efficiency and renewable energy projects, with 60 percent greater carbon savings. Kevin Gertig, Fort Collins Utilities executive director, notes that, "The Efficiency Works-Neighborhood pilot represents the culture of results and innovation that we are fostering in Fort Collins to support our community's energy and climate goals."

The utility learned some valuable lessons from the pilot project; lessons that APPA feels are applicable to other utilities.

1. Simplify the process

Bundling and packaging the information and letting customers know which package option makes the most sense for them were critical to increasing participation. "Just providing rebates and a list of contractors is not going to achieve the kind of results that we as a community have as our goals," says Phelan. "A more engaged approach is a benefit to us and to the customers. The customers need and want the help." Corvidae adds, "At RMI we have found that one of the biggest barriers to efficiency upgrades is the very complicated process, which loses people along the way. Fort Collins Utilities streamlined that process for consumers, making it much closer to a one-step process."

2. Remove the financial barrier

Fort Collins made the efficiency projects economical by financing them up to 100 percent, and allowing consumers to pay back the money on their electric bills over 20 years. "We are always trying to find innovative ways to get folks involved in energy efficiency," says Hyland. "When we send out polls, 90 percent of people respond that they are interested, but when you put a price tag on it, it quickly drops down under a few percent. That's one of the things this program really did, remove the financial barrier."

3. Do targeted marketing

Using readily available information, Utilities started targeting homes and neighborhoods that had the most potential to participate and to save energy. Starting with that group helped the program gain traction.

4. Work with contractors

Providing a steady stream of work for contractors provided stability, standardized pricing allowed package pricing, and vetting the contractors beforehand and conducting quality assurance provided confidence to the consumers. This helped the program work for everyone simultaneously.

An Award-Winning Program

APPA represents more than 2,000 community-owned electric utilities, serving more than 49 million people or about 15 percent of the nation's electricity consumers. Each year the organization grants awards to utilities that embody the spirit of APPA's DEED program—a research and demonstration program that supports innovative energy and efficiency activities. The DEED program's Energy Innovator Award recognizes utility programs that apply creative, energy-efficient techniques or technologies, provide better service to electric customers, or increase the efficiency of utility operations or resource efficiency. "We look at utilities that are going above and beyond to power their communities in efficient and responsible ways," says Tobias Sellier, director of media relations and communications at APPA. "Fort Collins definitely fit the bill."

This is actually the fourth APPA award for Fort Collins, which has been involved in the association's DEED program since it began in the early 1980s. The judges for the award are experts from government, academia, and the energy industry, and in the past have included folks such as Michael Dukakis, Amory Lovins, and Buckminster Fuller. One important criterion for the judges is that the program has to be transferable to other utilities.

Lessons learned from Fort Collins' Efficiency Works Neighborhood program are applicable to both utilities that have efficiency programs and want to take the next step, as well as to utilities that are starting from scratch. "What Fort Collins is doing may not seem trailblazing or cutting edge, but it really is," says Hyland. "The breadth of utilities that can learn from this project is large, it will transfer to hundreds of utilities around the country."