



DRAFT FOR REVIEW

Bonneville Power Administration
Simple Steps, Smart Savings Process Evaluation



Contributors

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i. Executive Summary

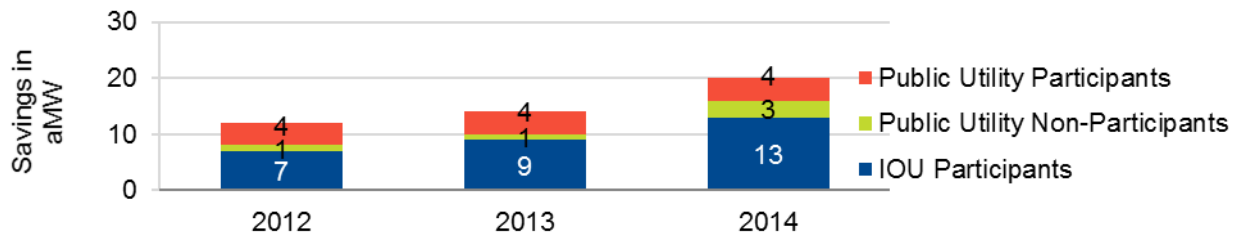
Bonneville Power Administration (BPA) contracted Navigant Consulting, Inc. and subcontractor Research Into Action (together the evaluation team) to perform a process evaluation of the Simple Steps, Smart Savings Program (Simple Steps or the program) focusing on fiscal years (FY) 2012-2014. The goals of this study were to understand program operations, explore program strengths, and identify areas for improvement.

Program Overview

Simple Steps is BPA's regional promotion designed to increase adoption of energy efficient residential products, including compact fluorescent lamps (CFLs), light emitting diode bulbs (LEDs), light fixtures, energy-saving showerheads, advanced power strips, and efficient appliances¹ such as clothes washers, refrigerators, and freezers. The program includes four delivery components—Retail, Direct Install, Direct Mail, and Bulk Purchase. Utilities may participate in the program by either signing a direct contract with the program implementer, or by allocating energy efficiency incentive (EEI) budgets to the Simple Steps program through BPA. The program operations involve a number of stakeholder groups, including BPA, the implementation contractor, public utilities, and investor-owned utilities (IOUs) choosing to participate in Simple Steps to promote energy efficiency in the residential market.

Figure ES-1 shows the total energy savings tracked by the Simple Steps program database for stakeholders across the three evaluation years FY2012-2014. Total savings over the program period is 45 aMW. IOU participants account for 65% of overall program savings while public utility participants account for 25% of savings and public utility non-participants account for 10% of savings. In terms of components, the vast majority of the program savings during this period were for the retail component (99%). In terms of measures, CFLs were dominant (86%), while LED bulbs, showerheads, and lighting fixtures accounted for the remaining 14%.

Figure ES-1. Program Savings for FY2012-2014



Source: Analysis of Simple Steps Program Data

Evaluation Results

The evaluation team reviewed the program logic model, analyzed the program tracking databases, and conducted 64 in-depth interviews with program stakeholders to get a clear understanding of how the Simple Steps program currently operates, gauge the effectiveness of

¹ The program introduced energy-efficient appliances in FY2015.

the program, identify any issues or barriers with the program, and rate the customer's satisfaction with Simple Steps.

The stakeholders the team interviewed included:

- **Public Utility Customers** actively participating Simple Steps. *Interviews completed: 23*
- **IOUs** participating in the Simple Steps program. *Interviews completed: 5*
- **Public Utility Non-Participating Utilities** not participating, but allocated savings. *Interviews completed: 24*
- **BPA Staff:** *Three Project Managers and eight other BPA staff*
- **Implementation Contractor Staff** delivering the program to the region. *Interviews completed: 2*

Program Effectiveness

The evaluation team found the Simple Steps program to run effectively on the whole, meeting the goals laid out in the program logic model. Both public utilities and IOUs alike responded that the program's ease of use was their top motivation for participating, and 22 out of the 23 public utilities interviewed commented on how flexible the program was in catering to their needs.

Key Finding:

Public utilities like the ease of Simple Steps calling it a "turnkey" program. IOUs like the benefit the program brings to the region, and the promotion of energy efficient technologies.

The team also found that BPA and the implementation contractor market the Simple Steps program extensively and effectively. All of the stakeholders interviewed during the evaluation had positive responses to the marketing of Simple Steps overall. The only issue mentioned regarding the marketing strategy was the lack of communication between public utilities and the implementation contractor around fieldwork. Public utilities were largely unaware of the frequency with which implementation field staff visited their stores (19 responses), and saw this as a missed opportunity to market the program to retail staff directly.

The evaluation team asked interviewees about the change to the historic "backstop role"² and whether—in their opinion—this change would impact the effectiveness of the program. The team conducted this survey early in the process of removing the backstop role, so many of the interviewed public utilities were still unaware of the changes. Those who were aware did not seem overly concerned with the impacts, and nine respondents thought the change would actually improve the program overall.

Program Satisfaction

The evaluation team interviewed program participants, both public utilities and IOUs, and asked a battery of questions concerning

Key Finding:

Satisfaction among public participants is moderate for the program overall. Stakeholders generally liked the types of measures and flexibility in measure offerings the program allows, but were less satisfied with the amount of utility branding overall.

² The backstop role involved BPA funding any non-participant program savings. In 2015 BPA removed this backstop role and will now distribute these non-participant savings and costs proportionately to program participants based on their share of savings for that fiscal year.

satisfaction with Simple Steps overall, and with the four program delivery components: retail, bulk purchase, direct install, and direct mail.

On a scale of 0 to 10, with 10 being “highly satisfied,” participants gave the program as a whole a moderately satisfied rating of 7.6 for public utility participants, and 6.6 for IOU participants (Figure ES-2).

Figure ES-2. Overall Program Satisfaction by Participant Type



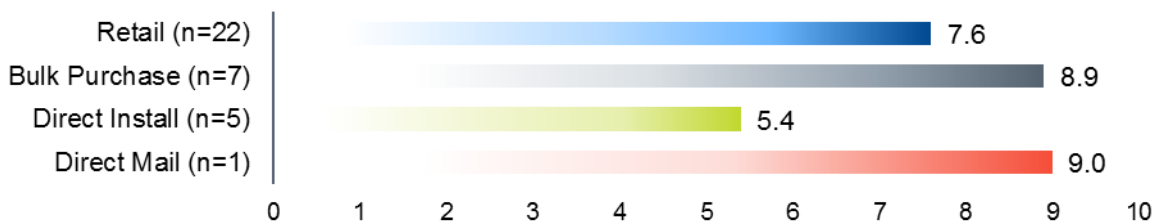
Source: Navigant 2015 Stakeholder Interviews

Utilities as a whole liked the program, calling it a “turnkey solution” to capturing energy savings and increasing energy efficiency throughout the region (20 responses). The main point hindering higher satisfaction scores was the lack of utility branding associated with the program, advertising to end-use customers that their utility was involved in energy efficiency efforts. The research team found that utilities who value the easy, turnkey aspect of the program tended to be more satisfied than those who value connecting with their customers. This indicates that these customers may be better suited for non-retail components of the program. Public utilities also mentioned wanting to see the list of available measure offerings expanded to include items such as heat pump water heaters, thermostats, and clothes washer/dryers (10 responses).

The IOUs on average expressed slightly lower satisfaction. Three of the five interviewed IOUs mentioned issues with monthly sales reporting, citing that the reports were often untimely and did not provide information needed to satisfy their internal reporting requirements.

Interviewed public utility participants also rated each delivery component of Simple Steps on the same 0 to 10 scale, with 10 being “highly satisfied,” as shown in Figure ES-3.

Figure ES-3. Program Satisfaction by Delivery Component



Source: Navigant 2015 Stakeholder Interviews

Similar to the overall program, public utilities also gave a moderately satisfied rating of 7.6 to the retail delivery component. Utilities enjoyed this component and thought it was easy to use, but also mentioned drawbacks including lack of utility branding or visibility to the end-use customer (14 responses), overall concerns about allocation methods (5 responses), and low implementer oversight or program engagement in small or rural areas (4 responses).

Evaluation found that awareness of non-retail components was low among both participants in the retail component and non-participants. For utilities that did participate in non-retail

Key Finding:

Public utilities and regional IOUs were largely unaware of delivery components outside of the retail option offered by Simple Steps.

components, participants rated the bulk purchase and direct mail delivery components quite high, citing ease of use and low measure cost as the top two levers driving satisfaction. Direct install received the lowest satisfaction rating at

5.4. When asked why they rated this component this low, interviewees mentioned the limited access to rural and geographically dispersed communities as the primary driver for dissatisfaction.

Other Evaluation Findings

Analysis of the program tracking data and discussions with stakeholders revealed the following issues with the Simple Steps program.

Barriers to Participation

The evaluation team analyzed the stakeholder interview data to understand what—if any—barriers precluded higher participation rates in the Simple Steps program. The top responses for non-participants included budget limitations (11 responses), concerns with RSAT allocations (10 responses)³, and utility branding not doing a strong enough job letting end-use customers know about the energy efficiency efforts their utilities currently engage in (9 responses). Non-participants also mentioned the need to move away from CFLs as they believed the technology already saturated the market (7 responses), and that they already allocated incentive dollars to competing programs (4 responses).

Key Finding:

Non-participants indicated that the retail delivery component was not a good fit for small or rural utilities due to their low sales allocations in RSAT.

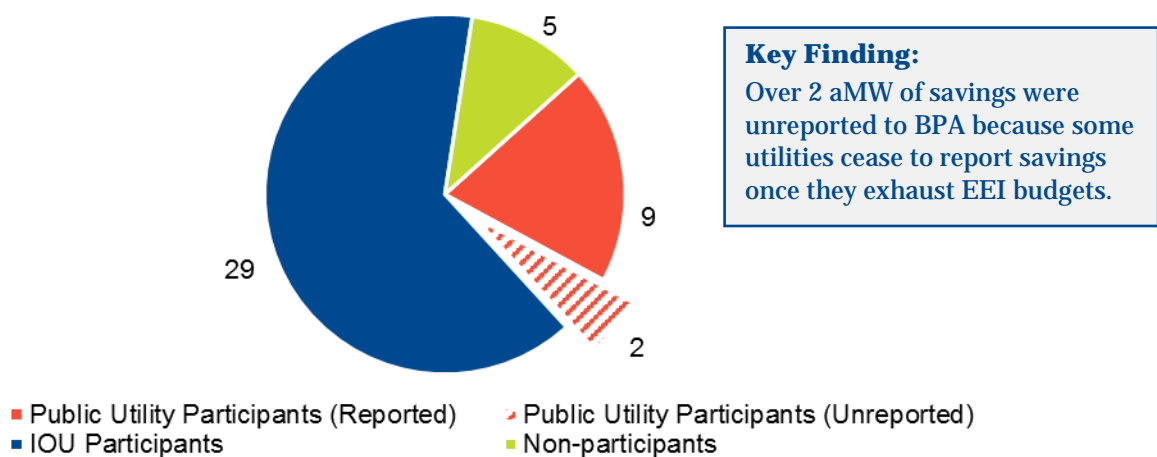
Interviews with BPA staff, participant and non-participant utilities highlighted a perception that Simple Steps is not well suited to smaller and more rurally based utilities. Finally, awareness of other delivery components other than retail is a barrier to participation in the bulk purchase, direct install, and direct mail offerings.

³ The 10 comments regarding concerns with the RSAT, included unfairness to smaller utilities, lack of utility control, and concerns about the indirect nature of the savings.

Unreported Savings

The evaluation team compared the savings tracked in the Simple Steps program data with the public utility reported savings found in the IS2.0 database. The Simple Steps program data contains 11 aMW of savings attributed to Simple Steps public utilities, but IS2.0 only shows 9 aMW savings reported by public utilities. Because BPA only claims the savings reported by public utilities through the BPA system, there are 2 aMW of savings that occurred in the BPA service area, but BPA did not claim them as achieved savings (Figure ES-4). These unreported savings came from 50 public utilities participating in the program and 60% of these savings came from two utilities. In the interviews, some public utility participants reported ceasing reporting savings after exhausting their EEI budgets.

Figure ES-4. Total Program Savings including Unreported Savings



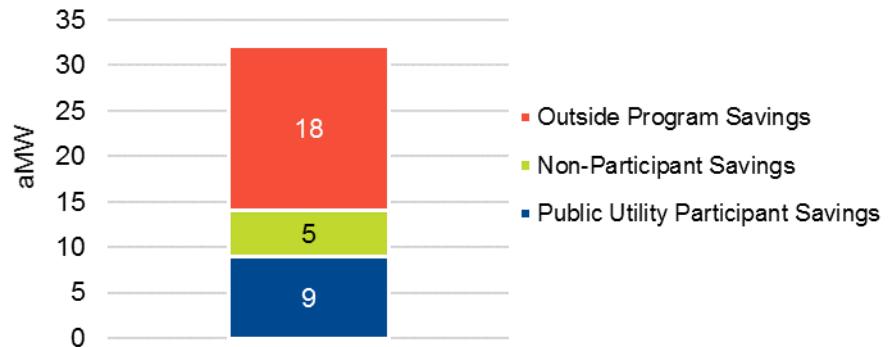
Source: BPA IS2.0 Database and Simple Steps Program Data

Outside Program Savings

The BPA IS2.0 database tracks efficiency program activities reported to BPA by customer utilities. A number of these efficiency programs offer identical measures to those offered by Simple Steps, such as retail CFLs and LEDs. To understand total savings achievements by measures offered by Simple Steps, the evaluation team compared the Simple Steps program data to the IS2.0 database for each measure. Figure ES-5 shows that the IS2.0 system includes 32 aMW savings for identical retail measures; 14 aMW can be attributed to the Simple Steps program and there are 18aMW are outside program savings.

Figure ES-5. Total Public Utility Savings in Measures Offered by Simple Steps

Key Finding:
A significant amount of savings in the region (18 aMW) come from outside programs offering identical retail measures to those offered by Simple Steps.



Source: BPA IS2.0 Database

The team traced this outside program savings to a couple of large utilities running lighting programs outside of Simple Steps. BPA does not restrict utilities from offering their own programs, but this is a significant amount of savings activity around identical retail measures.

Effective Measure Tracking and Accounting

The IS2.0 database uses the same measure reference numbers regardless of program. This made it impossible to clearly identify which reported measures saved energy under the Simple Steps versus other outside programs. This evaluation did not find any evidence of inaccurate accounting, or the double counting of savings between programs, but these errors are characteristically hard to track using the current IS2.0 database structure.

Key Finding:

Identical reported measure reference numbers in the IS2.0 database—regardless of program—make the tracking and effective parsing out of savings between programs difficult and inefficient.

Possible Double-Participation

The evaluation investigated the possible scenario in which utility end-use customers inadvertently “double-participate” in Simple Steps and another utility run program. It is possible for a consumer to purchase a Simple

Steps incentivized measure at a retail location and then submit the receipt for a rebate under a utility run program. Yet, the evaluation team found no direct evidence of this issue. In interviews with program participants, several public participants and IOUs—that have outside programs that incent similar measures—indicated taking steps to mitigate any potential overlap in reported savings between their own programs and Simple Steps. Furthermore, BPA’s tracking of Momentum Savings will reduce the likelihood of any savings double counting from double-participation throughout the region.

Recommendations

The evaluation team offers the following recommendations for improving Simple Steps in future program years.

Recommendation 1: Improve reporting methods to capture all savings. Given the size and significance of unreported program savings, BPA should encourage participating utilities to report all program activity and savings even after exhausting their

program savings	EEI budgets. BPA may also capture these savings by improving measure tracking in IS2.0 (see Recommendation #2) and comparing to the Simple Steps program data.
Recommendation 2: Improve measure tracking	BPA should enhance their measure tracking processes to allow BPA to clearly identify the amount of savings reported to the Simple Steps program. This could include adding unique reference numbers for Simple Steps to the IS2.0 database.
Recommendation 3: Increase awareness of delivery components other than Retail	Awareness of non-retail program components is low. BPA should increase awareness through education and marketing of its non-retail program components to increase participation in the program among these segments.
Recommendation 4: Improve marketing to guide customers toward their best suited delivery component	Many perceive that the program is not suited for rural or small utilities ⁴ . BPA could alter the program marketing to promote program components that better fit the needs of utility customers ⁵ .
Recommendation 5: Improve utility branding across all delivery components	BPA should encourage the implementation contractor to increase the amount of utility branding across all components of Simple Steps and provide tools and advice for utilities to engage in “meta-marketing” ⁶ techniques using wider BPA promotional efforts. ⁷
Recommendation 6: Increase communication regarding field staff visits to retail stores	The evaluation team recommends increasing the communication between public utilities and the implementation contractor around field staff visits to retail stores in their service territory to take advantage of opportunities to bolster program marketing with retail staff.
Recommendation 7: Retail Marketing Tracking	To enable analysis of the efficacy of different program promotions, the evaluation team recommends improving the tracking of program promotions such as dates, incentive levels, marketing approach, etc.

⁴ Interviews with BPA staff, participant and non-participant utilities highlighted a perception that Simple Steps is not well suited to smaller and more rurally based utilities.

⁵ Since this writing, BPA has planned to launch a “no-cost” kit for non-retail delivery components intended to help small and rural utilities reach a wider customer base.

⁶ The term “meta-marketing” describes the marketing efforts BPA uses to promote Simple Steps across the entire region. Utilities can add their own logos in tandem to these marketing efforts to reach a wider audience.

⁷ Since this writing, BPA has planned to provide new point of purchase displays with large, full color utility logos. Further, BPA plans to increase program budget to improve overall program marketing efforts.

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Key Terms and Definitions

The following identifies common terms and definitions featured in this report.

BPA: Bonneville Power Administration, also known as BPA, commissioned this study and operates the Simple Steps, Smart Savings Program.

Delivery Components: Delivery components refer to the modes or options under which BPA and the implementation contractor provide the Simple Steps, Smart Savings Program to program participants. These components include Retail, Bulk Purchase, Direct Install, and Direct Mail.

Implementation Contractor: The third-party contractor with which BPA contracts to implement the Simple Steps, Smart Savings Program.

Implementation Staff: Implementation staff refers to the individuals working for the implementation contractor who bring BPA's Simple Steps program to the public and investor-owned utilities.

Simple Steps Program Data: The Simple Steps program data comes directly from the program implementer and only contains data related to the Simple Steps, Smart Savings Program.

IS2.0 UES Database: BPA's Interim Solution 2.0 Unit Energy Savings or IS2.0 UES database includes all BPA program data.

IOUs: Investor-owned utilities (IOUs) represent a privately owned utility that operate as a corporation. In the context of this study, the term describes IOU program participants.

Outside Program: The BPA IS2.0 database tracks efficiency program activities reported to BPA by customer utilities. A number of these efficiency programs offer identical measures to those offered by Simple Steps, such as retail CFLs and LEDs. When the reported savings in IS2.0 were greater than the reported savings in the Simple Steps program data, then the savings were outside program savings.

Outside Savings: Outside savings are savings tracked in the BPA IS2.0 database generated by programs other than Simple Steps, but that offer identical measures as Simple Steps.

Program Staff: Program staff refers to the individuals working for BPA managing the Simple Steps, Smart Savings Program.

Public Participants: Public participants in the context of this study are BPA utility customers that participate in the Simple Steps, Smart Savings Program.

Program: Savings and measures described as program resulted from the Simple Steps, Smart Savings Program.

Program Non-Participants: Through the Simple Steps program, all BPA utility customers and neighboring IOUs are allocated savings through the program's Regional Sales Allocation Tool (RSAT), however BPA public utility customers who do not participate in the program do not receive savings and are termed as non-participants.

Program Participants: Participants are utilities who have opted to participate in the Simple Steps, Smart Savings Program and have signed an agreement with the implementer. This general term includes both BPA utility customers (public participants) and IOU participants.

RSAT: The Retail Sales Allocation Tool or RSAT is a tool developed to accurately allocate a proportion of sales of energy-saving measures at a retail store to all public or investor-owned utilities in the region whose customers are shopping at a given retail location. RSAT allocations are available to utilities whether they are participating in the Simple Steps program or not. The allocation percentages are based on an algorithm that accounts for location of the store, location of utility customer homes in relation to the store, the type of product sold, travel times, and various other factors. Both BPA utilities and the implementer use RSAT allocations for distributing savings of products sold through retail channels.

Unreported Units: Unreported units were determined by finding cases where the implementation contractor's total units sold were higher than Interim Solution 2.0 (IS2.0) unit totals for the same utility and measure. The difference between the totals are assumed to be units that resulted from the Simple Steps, Smart Savings Program, but that the utility did not report to BPA.

1. Introduction

Bonneville Power Administration (BPA) contracted Navigant Consulting, Inc. (Navigant) and subcontractor Research Into Action (the evaluation team) to perform a process evaluation of the Simple Steps, Smart Savings Program (Simple Steps or the program). The study explores program strengths and identifies opportunities to improve program operations. This report presents the findings from three primary sources:

- 64 in-depth interviews with program stakeholders, including BPA staff members, Simple Steps program management staff, program implementation staff, public utility customers (both participating and non-participating), and participating investor-owned utilities (IOUs)
- Analysis of program data provided by the program implementation contractor and BPA's Interim Solution 2.0 Unit Energy Savings (IS2.0 UES) database
- A comprehensive Simple Steps logic model tracking program goals and targets with detailed program activities created to meet those goals.

The evaluation team conducted interviews between June 2015 through October 2015 and looked at program data for fiscal years (FY) 2012–2014.

Process evaluation helps program administrators make educated decisions about program delivery and operations changes through an examination of program design, infrastructure, marketing, customer acquisition, delivery, and customer satisfaction. According to the *Energy Efficiency Program Impact Evaluation Guide*,⁸ program evaluations “provide information that can help improve programs and demonstrate internal and external accountability for the use of resources.” This study uses qualitative data to tell the story of the Simple Steps program between FY2012 and FY2014, while also leveraging program data to summarize the program's success in relation to sales and savings.

Evaluation Objectives

The evaluation team focused on four core elements of the Simple Steps program during this evaluation: program effectiveness, program drivers, participant satisfaction, and program barriers. The team analyzed overlap between these elements to answer the following questions:

- **How do the program accomplishments compare to the goals of the program?** The evaluation team looked at the program effectiveness and program drivers to answer this question.
- **Where are areas of strength and weakness within the program?** The evaluation team analyzed program effectiveness and stakeholder satisfaction against program barriers to understand this question.

⁸ State and Local Energy Efficiency Action Network. 2012. *Energy Efficiency Program Impact Evaluation Guide*. Prepared by Steven R. Schiller, Schiller Consulting, Inc., www.seeaction.energy.gov

- **What program improvements does the evaluation team recommend for Simple Steps?** The evaluation team looked at the overlap of all four elements to provide a sufficient response to this question.

Figure 1-1 illustrates these core elements.

Figure 1-1: Core Evaluation Elements



Source: Navigant 2015

Organization of Report

The remainder of the report includes seven sections that present the detailed findings of analysis activities and discuss the sources of data:

- Chapter 2: Evaluation Methodology and Data Collection
- Chapter 3: Program Overview
- Chapter 4: Participant Satisfaction
- Chapter 5: Program Drivers and Barriers
- Chapter 6: Program Effectiveness
- Chapter 7: Key Findings and Recommendations

The accompanying appendices provide additional information including interview guides, a detailed description of the data collection process, and other relevant background material.

2. Evaluation Methodology and Data Collection

This section outlines the evaluation team’s methodology and approach to evaluating the Simple Steps program using three key sets of data, see additional detail in Appendix D: Detailed Evaluation Methodology and Data Collection Information. These include the following:

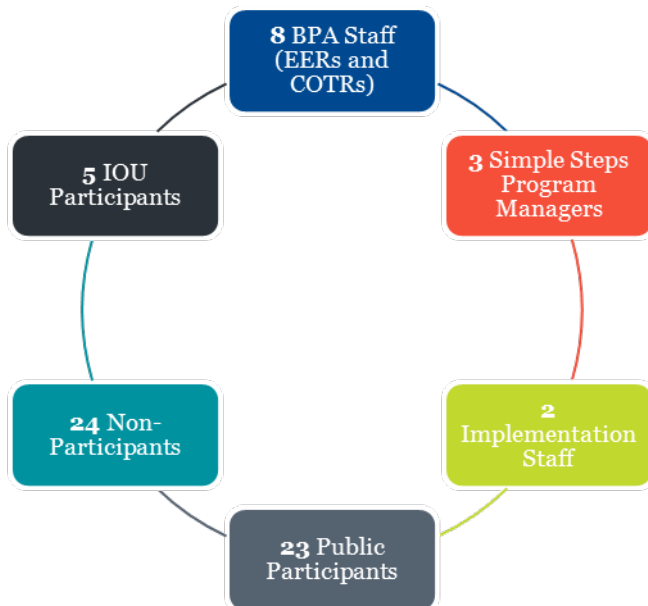
1. Data from **in-depth interviews** with Simple Steps program staff, implementation contractor staff, public utility participants and non-participants, and IOU participants
2. Existing **program data** tracking program participants and energy savings estimates stemming from the Simple Steps implementation contractor data—referred to as the Simple Steps program data—and the IS2.0 UES database covering all BPA programs
3. Discussions with BPA staff on the program goals and targets as identified in the **Simple Steps logic model**

In-Depth Interviews

The evaluation team reached out to a wide stakeholder audience including BPA staff (EERs and COTRs), Simple Steps program managers, implementation contractor staff, IOU participants, public utility participating utilities, and public utility non-participants⁹ to get a clear understanding of how the Simple Steps program currently operates. Figure 2-1 illustrates the stakeholder groups and counts of interviewees completed for this evaluation.

⁹ This report will use the terms: IOU participants, public utility participants, and non-participants for these groups. This study defines non-participants as public utilities not currently participating in the Simple Steps program, but receiving savings through the regional sales allocation tool (RSAT).

Figure 2-1: Counts of Stakeholders Interviewed



Source: Navigant 2015

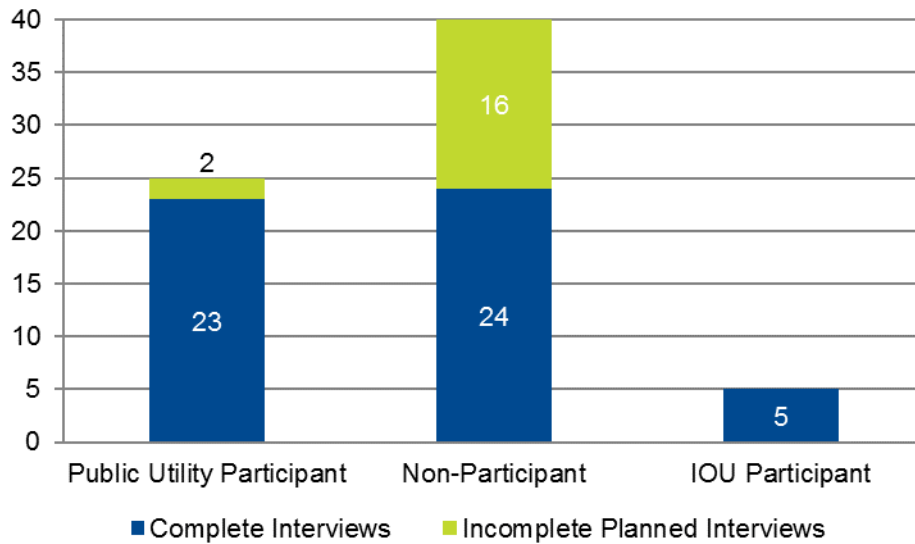
The team conducted hour-long, in-depth phone interviews with each stakeholder group. The interview guides used for these interviews included primarily open-ended questions intended to stimulate conversation with interviewees on the four core evaluation elements: Stakeholder Satisfaction, Program Effectiveness, Program Drivers, and Program Barriers. The evaluation team trained the interviewers, advising them to follow guide questions, but also allowing them to follow topical trajectories in the conversation when appropriate. See the interview guides for each stakeholder group in Appendix E.

The evaluation team conducted the interviews with three Simple Steps program managers over two sessions in June 2015, and interviews with implementation contractor staff over two sessions in July and August 2015; in these sessions, both groups outlined their roles, the goals of the program, and the program's target audience. The evaluation team also spoke with other BPA staff, including three EERs, three COTRs, one data expert, and one member of the market research team in July 2015 and August 2015.

Stakeholder Interview Sample

The evaluation team worked closely with Simple Steps program staff and the program implementer to develop samples for participant and non-participant stakeholder interviews. For the IOU participant interviews, the evaluation team planned to complete three interviews, but were able to complete interviews with all five participating IOUs. Alternatively, due to difficulty engaging non-participants and at the request of BPA staff, the team closed the sample with 24 completes out of the 40 planned interviews (Figure 2-2).

Figure 2-2: Count of Completed and Incomplete In-Depth Interviews included in the Sample Design



Source: Navigant 2015

The flexibility of the program allows public utilities to change decisions to participate year in and year out. The team drew the sample in August of 2015 when the population included: public utility participants (25), IOU participants (5), and non-participants (87).

Data Analysis Methodology

The evaluation team reviewed both program and non-program data to understand the flow of data and savings processed through the program from FY2012–FY2014. The team designed data analysis to capture differences in program and non-program measures to describe the impact of the backstop role on program savings as well as to assess program incentive strategies to determine whether the program should focus on adjusting incentive levels or marketing approaches.

Interview Data Analysis

The team developed a coding scheme identifying themes and concepts to capture during the NVivo coding process. (See Appendix D: Detailed Evaluation Methodology and Data Collection Information for more detail.)

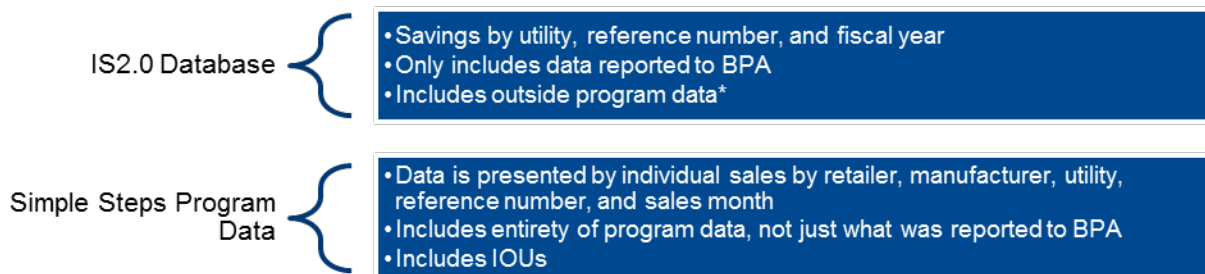
This report presents the findings from interviews with program stakeholders, who described their particular opinion and experiences. The results of these interviews are presented as counts of responses. The proper interpretation of these counts differs from the interpretation of counts in closed-ended survey data. With open-ended interview data, a researcher cannot conclude that an interview interviewee who did not describe a particular opinion or experience did not have that opinion or experience. The interviewee may simply have chosen to discuss other opinions or experiences in their response to the interview questions. As a result, counts from open-ended interview data illustrate the relative magnitude of findings; they do not provide quantitative estimates of the prevalence of particular opinions or experiences in the population.

Program Data Analysis

The evaluation team provided summaries of statistics of measure savings, unit counts, and incentives in multiple pivot tables in the Program Data Summary deliverable provided to BPA in December 2015. This deliverable also provided an overview of IOU data, program data not reported into the IS2.0 system, measure information, utility name matches, and TOCA values.

Throughout the data analysis process, the team met with both BPA staff (EERs and COTRs) and Simple Steps program staff to understand how program Simple Steps program data and the IS2.0 UES data relate and diverge. Figure 2-3 illustrates these differences at a high level.

Figure 2-3: Differences between the IS2.0 Database and Simple Steps Program Data



**This study defines “outside program data” as savings tracked in IS2.0 generated by programs other than Simple Steps, but that offer identical measures as Simple Steps.*

Source: IS2.0 and Simple Steps Program Data

The evaluation team took several steps to compare the Simple Steps program data with the IS2.0 database including aggregating the Simple Steps program data by utility, reference number, and fiscal year to mirror the format of IS2.0. See Appendix D: Detailed Evaluation Methodology and Data Collection Information for the detailed steps taken for this process. The team then merged the two datasets and analyzed the data using simple statistical analysis and pivot tables, as well as regression models looking at whether products with higher incentives sell more units. The design of the regression model and its related results are included in Appendix B: Incentive Strategy Assessment.

Data Issues

The evaluation team identified and corrected a few issues while working with program data and provides the summaries in the key findings section of the report. For further detail on these issues, see Appendix D: Detailed Evaluation Methodology and Data Collection Information.

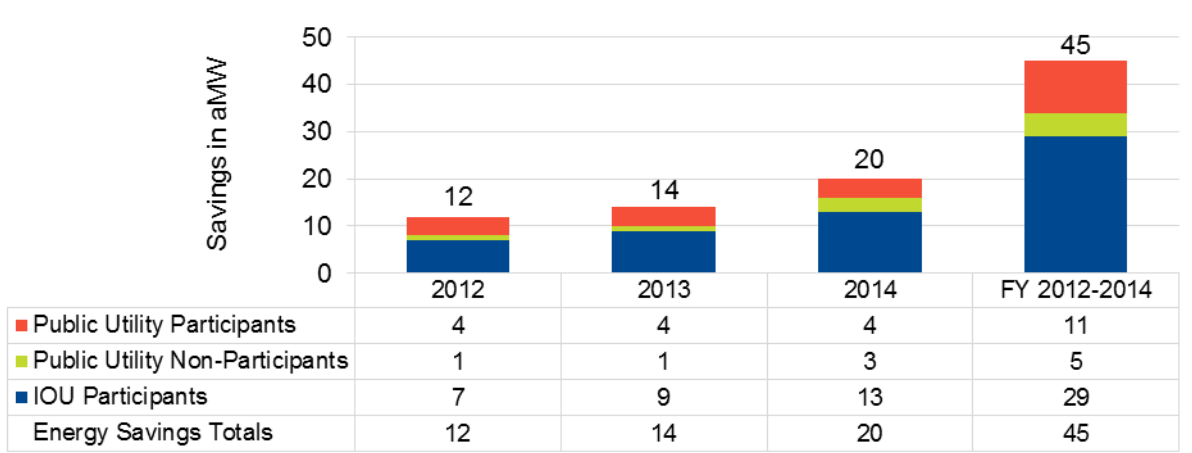
3. Program Overview

This section provides a general overview of the Simple Steps program and includes detail on the program accomplishments, background, history, design, and operations. The evaluation team relied on interviews with stakeholders, program data, and program marketing material to inform these subjects.

Program Savings Accomplishments

The evaluation team analyzed the Simple Steps program data to estimate the total energy savings the Simple Steps program accomplished over FY2012-2014. Figure 3-1 shows these savings results by stakeholder group. Total savings over the program period is 45 aMW. IOU participants account for 65% of overall program savings while public utility participants account for 25% of savings and public non-participants account for 10% of savings.

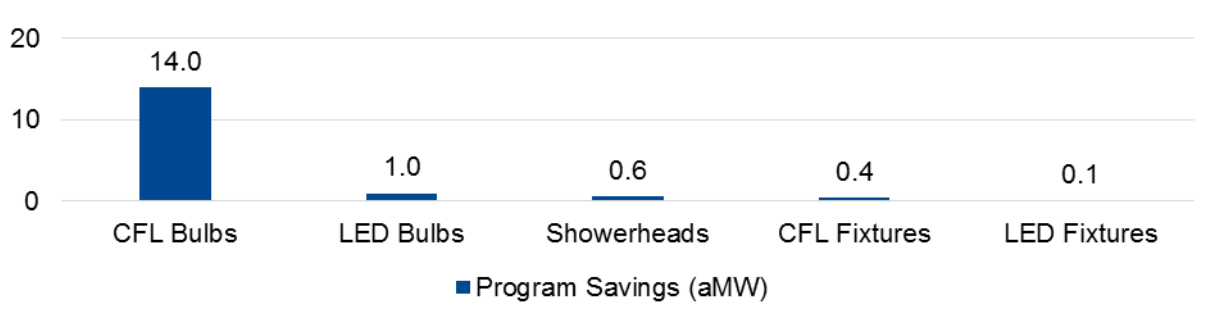
Figure 3-1: Program Savings by Stakeholder Type for FY2012-2014



Source: Simple Steps Program Data, Navigant 2015

Figure 3-2 shows the breakdown of program savings by each measure group offered by the program. CFL bulbs are by far the largest measure group, accounting for approximately 86% of savings (13.96 aMW) during the FY2012–FY2014 period (not including IOUs). LED bulbs are the second largest group, attributing another six percent of total savings, and will only continue to grow as the technology continues to gain market share.

Figure 3-2: Program Savings by Measure Group

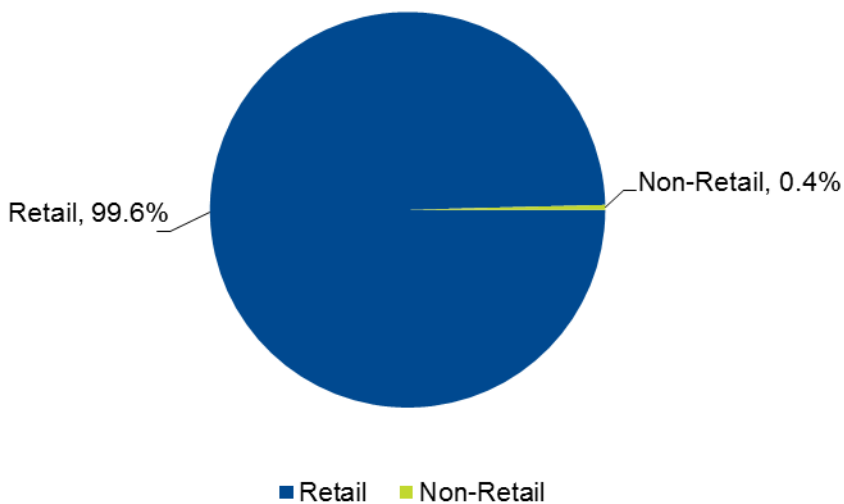


Note: These results stem from analysis of the Simple Steps program data and do not include IOU program participants.

Source: Simple Steps Program Data, Navigant 2015

Figure 3-3 shows that nearly all of the program savings stemmed from the retail component of the program with a small amount of savings coming from the non-retail components of the program, including direct mail, direct install, and bulk purchase.

Figure 3-3: Program Savings by Program Component



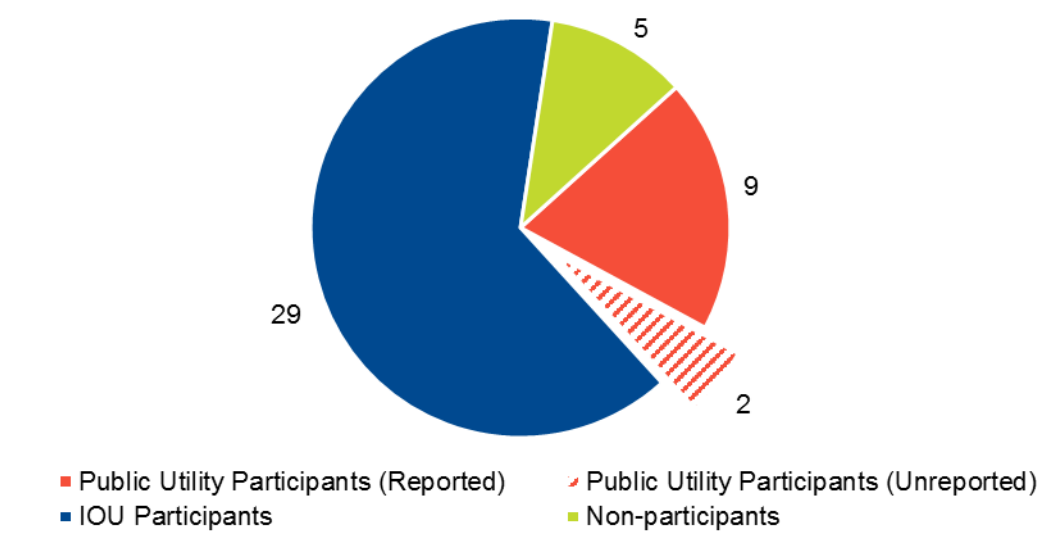
Source: Simple Steps Program data, Navigant 2015

Unreported Program Savings

The evaluation team also compared the savings tracked in the Simple Steps program data with the public utility reported savings found in the IS2.0 database. This comparison revealed a gap between the savings activity for Simple Steps measures provided in the Simple Steps program data, and those savings reported to BPA. As Figure 3-4 shows, public utility participants reported 9 aMW to BPA, leaving 2 aMW of actual program savings unreported to BPA. These unreported savings came from 50 public utilities participating in the program and 60% of these savings came from two utilities. The evaluation team spoke with BPA staff and found that, toward its targets, BPA only claims savings that public utilities report through the BPA system.

Therefore, the unreported savings occurred in the BPA service area, but BPA did not claim them as achieved savings.

Figure 3-4: Total Program Savings including Unreported Savings



**Note that public utility participants could be included in both the “reported” and “unreported” counts. Two utilities accounted for 60% of the unreported savings.*

Source: BPA IS2.0 Database and Simple Steps Program Data

Some public utility participants reported ceasing reporting savings after exhausting their EEI budgets. Therefore, there is a substantial amount of unreported activity.

Program Design

The Simple Steps Program is BPA’s regional promotion designed to increase adoption of energy efficient residential products, including compact fluorescent lamps (CFLs), light emitting diode bulbs (LEDs), light fixtures, and energy-saving showerheads. Utilities may participate in the program by either signing a contract with the program implementer directly, or by allocating EEI budgets to the Simple Steps program through BPA.

Simple Steps program staff identified several core goals throughout the development of a program theory and logic model, defined in Figure 3-5. See Appendix A: Simple Steps, Logic Model for the detailed program theory and logic model.

Figure 3-5: Simple Steps, Smart Savings Logic Model Core Goals

Long-Term Targets	Program Activities	Strategies/ Rationale	Motivating Conditions/Barriers
<ul style="list-style-type: none"> • Deliver high-volume energy savings for lighting and appliances • Test and improve the midstream model (program model) 	<ul style="list-style-type: none"> • Work with the program contractor • Work with utilities • Work with retailers and manufacturers • Reporting 	<ul style="list-style-type: none"> • Provide a low-cost, easy program to help program participants achieve energy efficiency goals • Transform markets around the selected measures to encourage customers to buy energy efficiency measures 	<ul style="list-style-type: none"> • Accessibility to retailers can be a barrier to changing stocking practices • Effective education and outreach to customers and retailers can encourage program participation and facilitate regional collaboration • Program marketing materials with utility branding can be a barrier to program participation

Source: Navigant 2015

The program has grown and established new delivery components to aid in reaching more potential participants, while also enabling it to be as accessible as possible to all public utility customers. Currently, the program offers four delivery components that offer program participants a range of options to consider for capturing savings. These components include the following:

Retail: This is the most commonly used delivery component among participants of the Simple Steps program. It allows utilities to invest energy efficiency program funding to reduce the price of efficient lighting products and other measures in retail outlets in their service territory in exchange for savings. The implementation contractor manages these investment funds using the Regional Sales Allocation Tool (RSAT), which allocates a proportion of sales of energy-saving measures in each participating retail store to participating public or IOUs. The RSAT allocation algorithm accounts for location of the store, proximity to participating and non-participating utilities, products sold, customer travel conditions, and various other factors. Utilities do not have to incentivize all of the program offerings; they can choose the efficiency technologies to invest in.

Direct Mail: Participating utilities choose a kit of assorted efficiency technologies offered by the Simple Steps program. The implementation contractor maintains a number of kit options for utilities to choose from and mails these kits directly to the utility's customer. This delivery component offers advanced power strips, not incentivized by the Retail component.

Direct Install: Participating utilities choose a kit of assorted efficiency technologies, and the implementer visits the utility's customer to install the technologies. The program tailors this delivery component to fit the needs of participating utilities and can include marketing materials, training activities, as well as data collection and reporting as needed.

Bulk Purchase: Utilities can either contact the implementer or visit the program's website to purchase large quantities of bulbs, showerheads, and other technologies offered through the program at a discount.

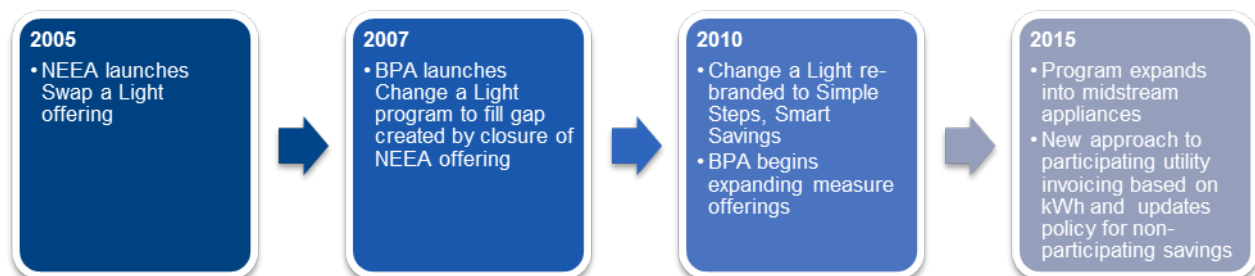
The program expanded its measure offerings over time, moving away from only offering CFL lighting to providing program participants with the option to incentivize LED bulbs, light fixtures, energy-saving showerheads, advanced power strips, and in 2015, added clothes washers, refrigerators, and freezers.

Participating utilities may choose to offer any or all of the various program components to acquire savings. They may also choose to offer any combination of energy efficient technologies offered by Simple Steps, making it a uniquely flexible program. This appeals to utilities with limited budgets and those utilities looking for easy, turnkey savings. Further, in 2014, the program integrated online sales promotions into the program to expand retail access for consumers in less urban areas of the Pacific Northwest.

Program History

The Simple Steps program has evolved to fit the needs of its participants. Starting in 2010, Simple Steps, Smart Savings launched following the end of BPA's Change a Light, Change the World program, which filled the gap created by the closure of the NEEA's residential lighting initiative. BPA designed the Simple Steps program to provide an easy option for utilities in the region to encourage the use of CFLs, showerheads, and lighting fixtures (among other energy efficient measures and appliances), in the residential market, offer opportunities for regional collaboration, and provide cost-effective energy savings to program participants.

Figure 3-6: History of the Simple Steps, Smart Savings Program

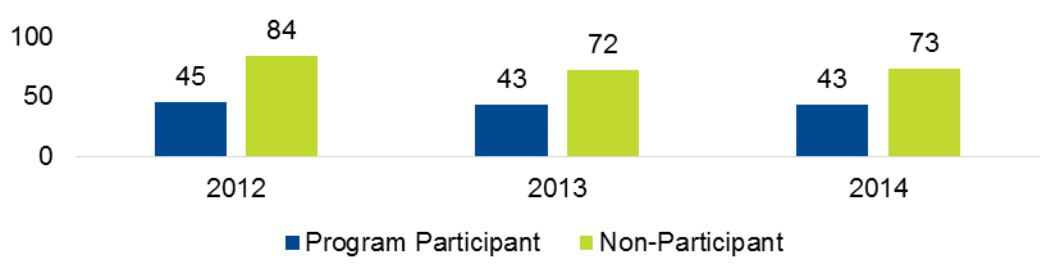


Source: Navigant 2015

In FY 2015, BPA expanded its scope to include midstream appliance measures as well as to allow end-user customers in the less populated areas of the Pacific Northwest to purchase energy efficient measures online. Also in 2015, BPA announced the end of the program's historic backstop role, where BPA paid for all non-participating program savings. The replacement approach involves distributing non-participating utility savings and costs proportionally to Simple Steps participating utilities based on their share of savings for that fiscal year. The purchase of Simple Steps savings is also limited to the current quarter within which the customer joined the program, ending the ability of public utilities or IOUs to purchase Simple Steps program savings at any time during the fiscal year.

Although the number of participants stayed consistent through the study period, individual utility participation in Simple Steps varies each year based on available program funds or when the utilities needed savings. Figure 3-7 shows the count of public utility customers, both participants and non-participants.

Figure 3-7: Count of Public Utility Participants and Non-Participants by Year



Source: Simple Steps Program Data, Navigant 2015

Program participant counts are from the entire pool of public utilities in the Northwest who participate in Simple Steps in a given year. The mix of public utilities does not necessarily remain constant from year to year. Non-participants are those public utility customers allocated savings within RSAT each year, but not paying into the Simple Steps program and not receiving actual savings.

Program Marketing

Following preliminary discussions with Simple Steps program staff at BPA, the evaluation team collected and reviewed various program documents, marketing materials, and data in order to understand program operations and activities. This process entailed a content analysis covering the following materials:

- Monthly program progress reports produced by the program implementer
- Utility feedback from Residential Sector Roundtable meetings
- Simple Steps program staff notes on The Future of Residential Program Support
- Results from online Simple Steps program Manager Meeting survey
- Program marketing collateral
- Program documents included on the simplestepsnw.com/tracker site

Using these documents and interviews with Simple Steps program staff, the evaluation team revised and updated the Simple Steps program theory and logic model in a working session with BPA in August 2015. See Appendix A: Simple Steps, Logic Model for the detailed program theory and logic model.

Marketing of the Simple Steps program is extensive. The implementer markets the program to end-use customers of utilities using collateral through the website, face-to-face meetings with utilities, and utility promotional kits. The program is also marketed through the monthly program manager meeting with BPA programs and EER staff. The implementer also provides a variety of retail point-of-purchase (POP) materials to retail establishments, including a variety of items to educate consumers about the program and energy savings.

Figure 3-8: Example of Simple Steps Marketing Collateral



Source: BPA photo of store end end-cap taken in October 2014.

The program also engages outreach teams—fielded by the implementation contractor—to visit participating stores to install POP displays, check that price points are correct, and educate both store management and store staff on the promotion. These teams serve as the “boots on the ground” to make sure the program is effectively reaching consumers to generate sales and energy savings. Additionally, these teams conduct quality control and assurance activities by reviewing the work of their colleagues to ensure proper program marketing.

4. Participant Satisfaction

This section reviews the results of the evaluation team’s interviews with program participant stakeholders, including public utilities and IOUs, to understand satisfaction with the Simple Steps program. The evaluation team gathered results regarding overall satisfaction with the program, satisfaction with the individual delivery components of the program: Retail, Bulk Purchase, Direct Install, and Direct Mail, and satisfaction with the technologies currently offered by the program.



Key Findings:

Satisfaction among public participants is moderate for the program overall. Stakeholders generally liked the types of measures and flexibility in measure offerings the program allows, but were less satisfied with the amount of utility branding overall.

IOU participants cited dissatisfaction with monthly reports, indicating that they were often untimely and did not satisfy their internal reporting requirements.

Satisfaction with the Direct Install component of the program was low due to the costs of completing the component each year and program’s difficulty in providing the option in rural service territories.

The evaluation team’s interview questions offered interviewees a scale from 0–10, where zero is very dissatisfied and 10 is highly satisfied. The tables in the following sections show the mean satisfaction response values for the program overall, the program’s delivery components, measure availability, and program marketing efforts.

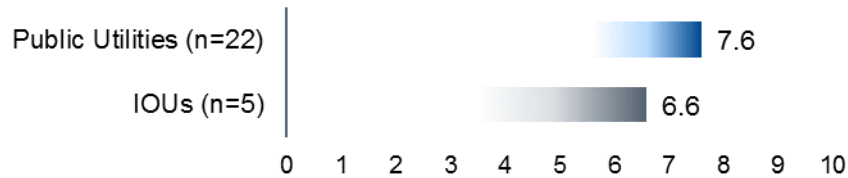
Satisfaction with the Program Overall

Public participants were moderately satisfied with the program as a whole, with public utility participants rating it at 7.6, out of 10 (Figure 4-1). Those public utilities satisfied with the program reported:

“It works, it’s incredibly easy for us, requires almost no effort, [and] helps our customers without them really knowing about it.”

~ Public Utility Participant

Figure 4-1: Overall Program Satisfaction



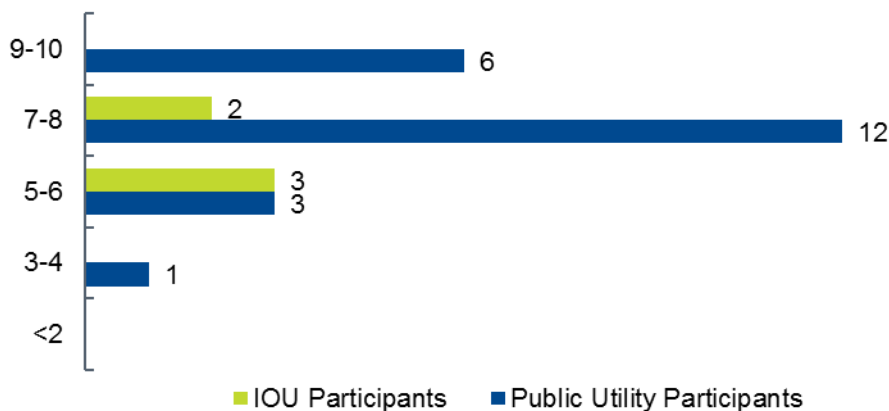
Source: Navigant 2015 Stakeholder Interviews

The IOUs on average expressed slightly lower satisfaction. Three of the five interviewed IOUs mentioned issues with monthly sales reporting, citing that the reports were often untimely and did not provide information needed to satisfy their internal reporting requirements. IOUs also reported difficulties with the appliance offering¹⁰, disliking changes to the backstop role, and concern over allocated savings. Two of the three responding IOU participants requested more effective and frequent marketing efforts, including POP displays in retail chains, to better inform end-use customers of the program.

Public utilities offered other insights into some of the sticking points hindering higher satisfaction scores such as, lack of utility branding identifying to the end-use customer that the utility is an active partner in the program, low implementer oversight or program engagement in small or rural areas, and overall about allocation methods. Interestingly, participants who reported valuing the savings aspect of the program gave higher overall satisfaction scores than those who reported valuing customer connections and utility branding.

Figure 4-2 provides the frequency of satisfaction ratings for each stakeholder group interviewed. As shown, the majority of public utility participants (12 responses) rated the program a 7 or 8.

Figure 4-2: Overall Program Satisfaction – Rating Frequency



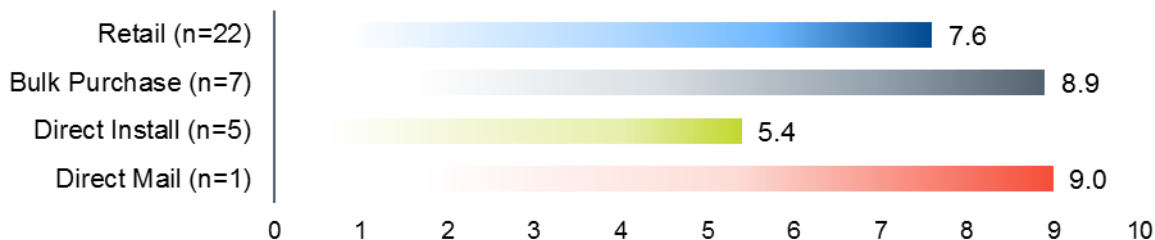
Source: Navigant 2015 Stakeholder Interviews

¹⁰ The Simple Steps program introduced energy-efficient appliances to the retail component of the program in FY2015.

Satisfaction with Program Delivery Components

The evaluation team also asked public utility participant interviewees about their satisfaction with the four delivery components offered by the Simple Steps program: retail, bulk purchase, direct install, and direct mail.¹¹ Figure 4-3 shows the satisfaction ratings by component.

Figure 4-3: Program Satisfaction by Delivery Component, Public Utilities



Source: Navigant 2015 Stakeholder Interviews

Retail Delivery Component

Similar to the program overall, the retail received a moderately satisfied rating of 7.6. Of those public participants who liked the program, all reported ease of effort as the primary driver for satisfaction. Public participants also enjoyed the different measure offerings and the flexibility to pick and choose the measures they provided their customers.

Public utility customers who were less than satisfied with the retail component—rating it less than 8—reported not enough recognition for utility involvement or utility branding (14 responses), that they would like to see the list of measure offerings expanded to include such things as heat pump water heaters, thermostats, and clothes washer/dryers (10 responses), and concerns with RSAT allocation (5 responses). Participants generally have a positive view of RSAT allocations (9 participating utilities, including 4 IOUs), but many interviewees indicated they do not fully understand the allocation methodology, yet still accept it as a valid process.

Finally, five public participant interviewees mentioned wanting to drop CFLs completely from their retail component of the program. This shift toward LEDs could indicate a sentiment of CFL market saturation.

Bulk Purchase Delivery Component

Public participants rated the bulk purchase delivery component quite high—with a satisfaction score of 8.9—citing ease of use and low cost as the primary drivers to satisfaction. One interviewee described the bulk purchase component as a “one-stop shop,” and another said:

We used Simple Steps as a vendor to quote bulk purchase, as we have with other vendors. We ended up going lowest cost...Simple Steps had the lowest cost.”

~ Public Participant Interviewee

The main sticking point hindering satisfaction was the feeling that the market currently offers better quality technologies.

¹¹ IOUs only participated in the retail component of the program.

Direct Install Delivery Component

With a score of 5.4, the direct install component received the lowest satisfaction rating. Two participants reported that it had been difficult to maintain the implementation contractors' interest in providing direct installs in their service areas. One of these participants noted that direct installation is difficult logistically in rural service territories where driving 10 to 20 miles between houses is not feasible.

Public utilities liked the direct interaction with utility customers that the component offers. They also said the program provided the opportunity to collect housing stock information they would otherwise not gather. Increasing awareness of the direct install delivery component and increasing the marketing of these benefits, may improve participation.

Direct Mail Delivery Component

Only one public utility the evaluation team interviewed currently participated in the Direct Mail component of Simple Steps. The interviewee liked the direct mail component, reporting that it was easy to use and allowed them to reach a greater number of customers at a lower cost.

Another public utility choosing not to participate in the direct mail component, pointed out that it was not cost-effective for their utility to run a direct mail program every year.

Satisfaction with Retail Program Quality Assurance Processes

Interviewed public participants discussed their satisfaction with the implementer's fielding and program quality assurance processes. This includes the regularity with which the implementer visits the retail stores in a utility service territory, and how well they keep up with the program marketing material in these stores. Nineteen of the 23 participating public utilities were unaware of the frequency with which implementation field staff visited their stores. Ten interviewees requested greater contact with the field staff. The comments of one interviewee illustrates this request:

"It would be nice to have a notice they will be in the area and some kind of QA write-up, 'your stores have 90% of the POP up,' or '50% and we're working on making that percentage higher. Here's how you could help.'"

Later in interview, this interviewee said:

"I definitely think that it would be more enticing if there were more consistent meetings with field reps, retailers, and utility reps so the communication was more consistent."

5. Program Drivers and Barriers

This section explores Simple Steps program drivers and barriers. It aims to identify how the program touches and motivates public utility participants, IOU participants, and non-participants. It also investigates what sorts of issues either impede or diminish participation in the program. To answer these questions, the evaluation team considered feedback and reviewed communications with BPA and the program implementer, but primarily drew upon interviews with program participants and non-participants.



Key Findings:

Non-participants indicated that the retail delivery component was not a good fit for small or rural utilities due to their low sales allocations in RSAT.

Public utilities and regional IOUs were largely unaware of delivery components outside of the retail option offered by Simple Steps.

A significant amount of savings in the region (18 aMW) come from outside programs offering identical retail measures to those offered by Simple Steps.

Identical measure reference numbers in the IS2.0 database—regardless of program—make the tracking and effective parsing out of savings between programs difficult and inefficient.

Program Drivers

The evaluation team analyzed interview data to get a clear picture of the major benefits driving participation in the Simple Steps program. The goal was to identify what motivated utilities to participate, and determine whether BPA could do more to drive other, non-participating utilities to the program.

The majority of the program participants interviewed—20 public utilities—reported that the Simple Steps program was easy to use and a turnkey program. Of the public utility participants, 14 went on to call the program a source of reliable, cost-effective savings, and eight noted that participation in Simple Steps allowed them to reach the market in a way that they would not be able to do on their own. Participants (4 public utilities) also mentioned that the program made it easy for them to support regional initiatives, which they valued. Participating IOUs viewed the Simple Steps program as a social good. Table 5-1 shows the reported drivers of participation in the retail component of Simple Steps.

**Table 5-1: Drivers of Participation in the Retail Component
(Multiple Responses Allowed)**

Ease of participation	20	1
Source of cost-effective savings	14	3
Utility could not access delivery component on its own	8	1
Utility sees benefit in regional initiatives	4	2
Utility pursues all available efficiency options	5	0
Ability to capture savings in stores outside territory through RSAT	4	1
Other	6	2

Source: Navigant 2015

Participants in the non-retail components described similar benefits of ease of participation and cost-effectiveness (Table 5-2). Notably, two participants reported participating in the Direct Install component of the program so that installers could gather data on the housing stock in their service territories that would inform their future program offerings.

**Table 5-2: Drivers of Participation in Non-Retail Components
(Multiple Responses Allowed)**

Ease of participation	6
Lowest cost option	3
Opportunity to gather data on housing stock (direct install)	2
Other	2

Note: No IOUs participated in the non-retail program components. Counts are of utilities that cited each item as a benefit of participation in one or more of the non-retail program components: Direct Installation, Direct Mail, and Bulk Purchase.

Source: Navigant 2015

Program Barriers

Analysis of the program tracking data and discussions with stakeholders revealed a few potential barriers with Simple Steps that could impact future program participation and accurate program savings accounting.

Barriers to Participation

The evaluation team analyzed the stakeholder interview data to understand what—if any—barriers precluded higher participation rates in the Simple Steps in any of the four delivery components for the program. The program operates in a flexible way, allowing utilities to participate or not participate from year to year, in any delivery component they choose. Interviewees mentioned budget constraints as the primary reason for dropping out of the program in any given year. Further, interviews with BPA staff, participant and non-participant utilities highlighted a perception that Simple Steps is not well suited to smaller and more rurally

based utilities, but this section also discusses other reasons a utility may choose to invest their program dollars in other areas aside from Simple Steps.

BPA Staff and Program Manager Perspective

Many of the staff members, including both EERs and COTRs, highlighted positive aspects of the program, yet a few interviewees noted that utilities were confused with certain aspects of Simple Steps such as managing program costs, understanding recent program changes, understanding how sales allocations work for the retail component of the program, and being able to remain visible to their rate-paying customers through the program. One staff member noted that the upstream/midstream model takes participants away from their customers and diminishes the ability of the utility to connect directly with their customers, which is especially important for small and rural utilities.

Non-Participant Perspective

Current non-participants of the retail component of the Simple Steps program noted budget limitations as their primary barrier to participation (11 responses). These stakeholders also voiced other concerns with RSAT sales allocations (10 responses)¹², utility branding not doing a strong enough job letting end-use customers know about the energy efficiency efforts their utilities currently engage in (9 responses), the program was too focused on CFLs which already saturate the market (7 responses), or that they were already investing in competing program options (4 responses). Finally, awareness of other delivery components other than retail is a barrier to participation in the bulk purchase, direct install, and direct mail offerings.

Participant Perspective

The evaluation team also asked current program participants about program barriers they see as either 1) impacting their likelihood to participate in future program years, or 2) limiting their participation in other delivery components of the program. Public utility participants also said budgetary restraints would be the primary barrier for future participation (7 responses), but also wanted to see improvements to utility branding in retail outlets before deciding to invest once again in the program. This group of stakeholders also requested increases on utility logos on the in-store POP materials, as well as an increase on the frequency of program deals and events (2 responses).

As for why participants did not take advantage of other delivery components, responses ranged from not seeing a need to participate in another component (11 responses), found faster or less expensive alternatives¹³ to the other components (7 responses), and a lack of utility staff able to manage the other components (4 responses).

Outside Program Savings

The evaluation team compared the Simple Steps program data to the IS2.0 database—using only the reference numbers included in the Simple Steps program¹⁴—to understand how well the two

¹² Concerns with the RSAT included unfairness to smaller utilities, lack of utility control, and concerns about the indirect nature of the savings.

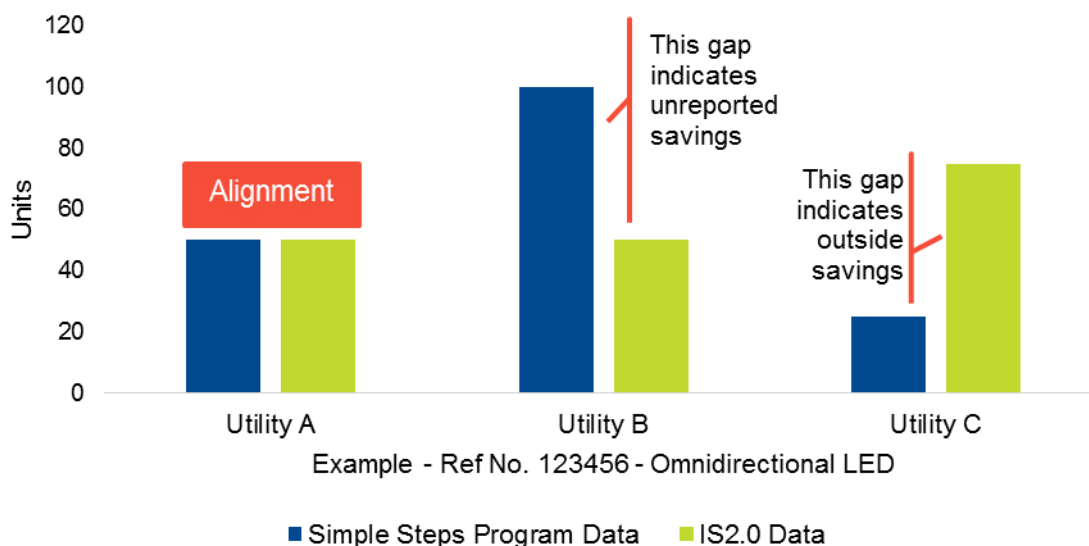
¹³ Those providing responses on this topic noted using their own internal programming or going to other bulk purchase retailers to access more competitive pricing or product types.

databases tracked program activity. For each reference number, the team applied the following assumptions:

1. If the reported savings in the Simple Steps program data equal the reported savings in IS2.0, then the savings aligned
2. If the reported savings in the Simple Steps program data were greater than the reported savings in IS2.0, then there were unreported savings to BPA associated with this reference number
3. If the reported savings in IS2.0 were greater than the reported savings in the Simple Steps program data, then there was outside program savings associated with this reference number

Figure 5-1 illustrates this concept using artificial data and reference numbers.

Figure 5-1: Example Reference Number Comparisons between IS2.0 and the Simple Steps Program Data

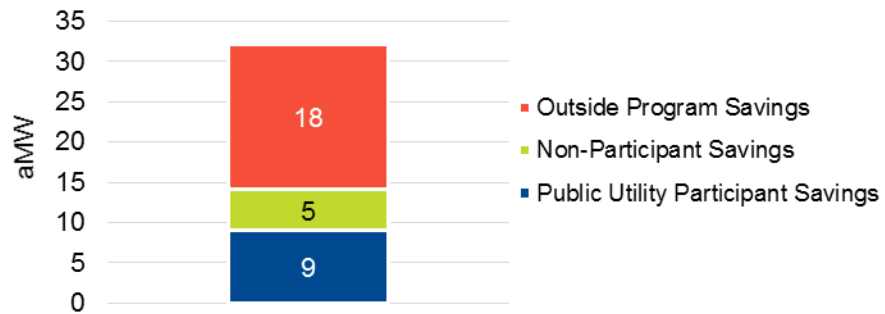


Source: BPA IS2.0 Database and Simple Steps Program Data

To understand the size of outside savings, the team aggregated the results up to the utility level, and then to the overall program level. Figure 5-2 shows that the IS2.0 system includes 32 aMW savings for identical retail measures; 14 aMW can be attributed to the Simple Steps program and there are 18aMW are outside program savings.

¹⁴ See Appendix D: Detailed Evaluation Methodology and Data Collection Information for the detailed process for comparing the two databases.

Figure 5-2: Program Level Results between IS2.0 and the Simple Steps Program Data



Source: BPA IS2.0 Database and Simple Steps Program Data

The team traced this outside program savings to a couple of large utilities running lighting programs outside of Simple Steps. BPA does not restrict utilities from offering their own programs, but this is a significant amount of savings activity around identical retail measures.

Barriers to Effective Measure Tracking and Accounting

The evaluation also revealed possible issues with measure tracking and accounting between Simple Steps and other outside programs. For BPA—and any regional utility offering programs that include identical retail measures to those offered by Simple Steps—effectively and accurately parsing savings between these programs is difficult. This evaluation did not find any evidence of inaccurate accounting, or the double counting of savings between programs, but these errors are characteristically hard to track using the current IS2.0 database structure. The IS2.0 database uses the same measure reference numbers regardless of program. This made it impossible to clearly identify which measures saved energy under which program.

6. Program Effectiveness

This section provides the process evaluation results on how effective the Simple Steps program operated between FY2012-2014, based on the perceptions of stakeholders, review of the logic model, and analysis of the tracking data.



Key Findings:

Public utilities like the ease of Simple Steps calling it a “turnkey” program. IOUs like the benefit the program brings to the region, and the promotion of energy efficient technologies.

Interviewed participants indicated being only vaguely aware of changes to the backstop role (11 responses), but this could be due to the timing of the surveys.

It is possible for an end-user consumer to purchase a Simple Steps incentivized measure at a retail location and then submit the receipt for rebate under a utility run program. The evaluation however, found no direct evidence of this in the program data.

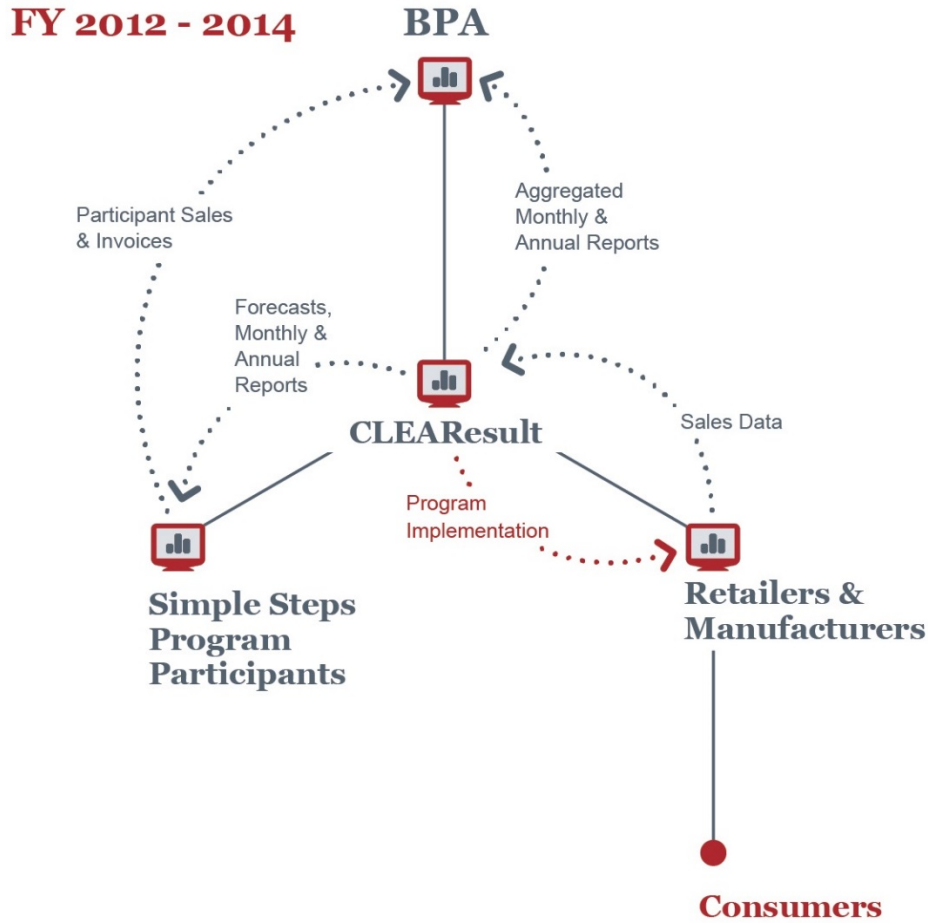
On the whole, the evaluation team found the Simple Steps program to run effectively, meeting the goals laid out in the program logic model, and providing an easy, “turnkey” program for the region. Both public utilities and IOUs alike responded that the program’s ease of use was their top motivation for participating, and 22 out of the 23 public utilities interviewed commented on how flexible the program was in catering to their needs. The program allows utilities to choose the types of measures they offer from a list of energy efficient options such as CFLs, LEDs, light fixtures, energy-saving showerheads, advanced power strips, and appliances. The program also provides four unique

components for delivering those measures to their end-use customers: retail outlets, bulk purchase, direct install, and direct mail. All of this makes for a flexible program that caters to the needs of diverse set of utility customers throughout the region.

Program Operations

The evaluation team worked with program managers and implementation staff to understand the current operations of the Simple Steps program. Interviewees noted that the program is “*not a one-size-fits-all program*” across the region, but rather it is highly customizable allowing program participants to select their level of participation as well as the types of measures supported through promotions. Utilities have widely different needs that the program tries to accommodate, including accounting for regulatory requirements from I-937, the need for utilities to allocate funds to energy efficiency, and the need for utilities to interface with their rate-paying customer base. Figure 6-1 provides an overview of the complex process flow the program follows to accommodate such a wide audience.

Figure 6-1: Simple Steps Program Data Process Flow

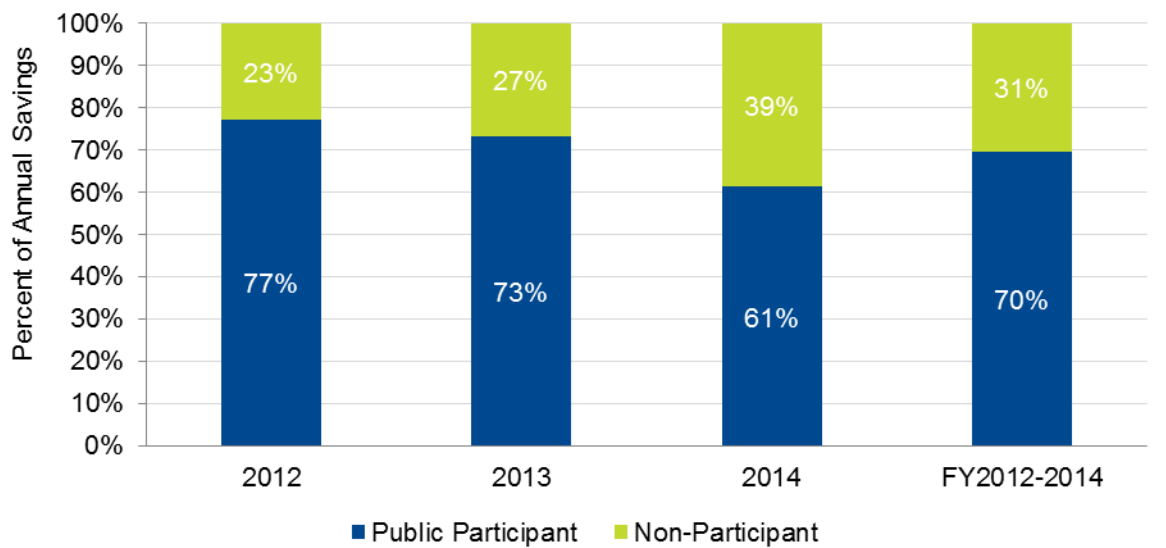


Source: Navigant 2015

Backstop Role

The evaluation team briefly examined how the change to the backstop role—implemented in 2015—impacts the operations of the program. The evaluation team analyzed the increasing amount of non-participant savings generated by the program over the evaluation period. Figure 6-2 provides the percentages of savings for participants and non-participants in FY2012-FY2014. On average across all years, nearly one-third of the proportion of public program savings was attributable to non-participant backstop savings and funded by BPA.

Figure 6-2: Percentage of Annual Program Savings for Public Participants and Non-Participants



Note: These results stem from analysis of the Simple Steps program data and do not include IOU program participants.

Source: Navigant 2015

With the shift away from the backstop funding, BPA will proportionally distribute these non-participant savings—and associated costs—to Simple Steps participating utilities based on their share of savings that fiscal year. The evaluation team asked interviewees whether this change in the backstop role would impact the effectiveness of the program. Simple Steps program management staff indicated the change might hurt participation rates, as well as damage the perceived value of the midstream incentive approach used in the program.

However, utility participants and non-participants reported being largely unaware of the change, or how the change may impact their perception of the program overall. The team conducted this survey early in the process of removing the backstop role, which may account for the lack of awareness of the changes.

Those who were aware of the change to backstop funding did not seem overly concerned with the impacts, and nine respondents thought the change would actually improve the program overall, including thinking that the ability to claim savings justifies the cost of participation (3 participants), that the change is equitable (2 participants), or that it is the best solution available (4 participants).

Three participating utilities and two IOUs mentioned that the change makes the cost structure to utilities less clear. It is harder for them to identify the cause of increased costs, and in some situations for IOUs, it may have rendered some delivery offerings cost-ineffective. Additionally, one participating utility brought up that the change will likely not benefit I-937 utilities because they are required to show that the savings are within the utility's territory.

Customer “Double-Participation”

The evaluation identified a possible scenario allowing utility end-use customers to inadvertently “double-participate” in Simple Steps and another utility run program. For example, a consumer purchases a Simple Steps incentivized measure at a retail location and then submits the receipt for a rebate under a utility run program. The evaluation team found no direct evidence of this issue and believes the impacts to the overall regional energy savings are minimal. In interviews with program participants, several public participants and IOUs—that have outside programs that incent similar measures—indicated taking steps to mitigate any potential overlap in reported savings between their own programs and Simple Steps. Furthermore, BPA’s tracking of Momentum Savings will reduce the likelihood of any savings double counting from double-participation throughout the region.

Incentives Strategy Assessment

BPA tasked the evaluation team with analyzing measure incentive and unit sales data to determine if there is evidence that units with higher incentives tend to lead to a greater amount of units sold. The evaluation team used regression analysis to look for evidence that sales volume is associated with incentive level. This proved to be problematic for two reasons 1) there was very little change in incentive amounts over time, in fact no change whatsoever in the case of many measures, and 2) the evaluation team did not have access to retail price data to estimate whether fluctuations in retail prices—in combination with program incentives—impacted program sales and savings. Overall, the regression analysis found that unit sales decrease as the incentive amount decreases. However, the tracking of sales promotions at the store-level would enable more meaningful analysis of the impacts that marketing promotions have on program sales, which could shed light on the most effective interventions. (See Appendix B: Incentive Strategy Assessment for detailed findings related to the incentive strategies assessment.)

7. Key Findings and Recommendations

The evaluation team offers the following key findings from the FY2012-2014 evaluation of the Simple Steps program, as well as the recommendations for improving the program in future years.

Key Findings

- | | |
|--|--|
| Benefits of Simple Steps | Finding 1: Public utilities like the ease of Simple Steps calling it a “turnkey” program. IOUs like the benefit the program brings to the region, and the promotion of energy efficient technologies. |
| Unreported Program Savings | Finding 2: Over 2 aMW of savings were unreported to BPA because some utilities cease to report savings once they exhaust EEI budgets. |
| Overall Program Satisfaction | Finding 3: Satisfaction among public participants is moderate for the program overall. Stakeholders generally liked the types of measures and flexibility in measure offerings the program allows, but were less satisfied with the amount of utility branding overall. |
| Retail Not a Good Fit for Small/Rural Utilities | Finding 4: Non-participants indicated that the retail delivery component was not a good fit for small or rural utilities due to their low sales allocations in RSAT. BPA staff indicated the design of the program is inherently better suited to certain customer times, which also came across in the participant satisfaction results. |
| Lack of Program Awareness | Finding 5: Public utilities and regional IOUs were largely unaware of delivery components outside of the retail option offered by Simple Steps. |
| Direct Install Satisfaction | Finding 6: Satisfaction with the Direct Install component of the program was low due to the costs of completing the component each year, and program’s difficulty in providing the option in rural service territories. |
| Outside Program Sales | Finding 7: A significant amount of savings in the region (18 aMW) come from outside programs offering identical retail measures to those offered by Simple Steps. |
| Inefficient Measure Tracking | Finding 8: Identical measure reference numbers in the IS2.0 database—regardless of program—make the tracking and effective parsing out of savings between programs difficult and inefficient. |
| Changes to Backstop Role | Finding 9: Interviewed participants indicated being only vaguely aware of changes to the backstop role (11 responses), but this could be due to the timing of the surveys. The team conducted the surveys very soon after the removal of the backstop role so participants may not have had time to fully understand the implications. |

Finding 10: Double-Participation	Utility end-use customers could inadvertently “double-participate” in Simple Steps and other utility run programs by purchasing a Simple Steps incentivized measure at a participating retailer and then mailing in the receipt for a rebate offered by an outside program . The evaluation however, found no direct evidence of this in the program data.
Finding 11: Untimely Sales Reports	IOU participants cited dissatisfaction with monthly reports, indicating that they were often untimely and did not satisfy their internal reporting requirements.
Finding 12: Increased Implementer Communication	Public utilities were largely unaware of the frequency with which implementation field staff visited their stores (19 responses). These utilities participants requested increased contact and communication with the implementation contractor regarding field staff activities and retail store visiting times, in order to coordinate program marketing and other efforts.
Finding 13: Detailed Program Information	The program implementer tracks field activities and highlights changes to marketing promotions through monthly reports and posts to the Simple Steps Tracker website. However, detailed information about in-store promotions, program incentives, store-level costs, and sales strategies are not available.
Finding 14: Appliance Offering	Awareness of the appliance offering ¹⁵ of the retail component was low among IOUs. Those who were aware said the option was too restrictive and required more administrative work than other components of the program.

Recommendations

The evaluation team offers the following recommendations for improving Simple Steps in future program years.

Recommendation 1: Improve reporting methods to capture all program savings	Given the size and significance of unreported program savings, BPA should encourage participating utilities to report all program activity and savings even after exhausting their EEI budgets. BPA may also capture these savings by improving measure tracking in IS2.0 (see Recommendation #2) and comparing to the Simple Steps program data.
Recommendation 2: Improve measure tracking	BPA should enhance their measure tracking processes. This could include adding unique reference numbers for Simple Steps to the IS2.0 database. This would allow for BPA to clearly identify the amount of savings reported to the Simple Steps program.
Recommendation 3: Increase awareness of delivery components other than Retail	Awareness of non-retail program components is low. BPA should increase awareness through education and marketing of its non-retail program components to increase participation in the program among these segments.
Recommendation 4:	Many perceive that the program is not suited for rural or small

¹⁵ The Simple Steps program introduced energy-efficient appliances to the retail component of the program in FY2015.

Improve marketing to guide customers toward their best suited delivery component | utilities. BPA could alter the program marketing to promote program components that better fit the needs of utility customers¹⁶.

Recommendation 5: Improve utility branding across all delivery components | BPA should encourage the implementation contractor to increase the amount of utility branding across all components of Simple Steps and provide tools and advice for utilities to engage in “meta-marketing”¹⁷ techniques using wider BPA promotional efforts.¹⁸

Recommendation 6: Increase communication regarding field staff visits to retail stores | The evaluation team recommends increasing the communication between public utilities and the implementation contractor around field staff visits to retail stores in their service territory to take advantage of opportunities to bolster program marketing with retail staff.

Recommendation 7: Incentives Assessment | To enable analysis of the efficacy of different program promotions, the evaluation team recommends improving the tracking of program promotions such as dates, incentive levels, marketing approach, and any other relevant store-level data.

Recommendation 8: Clearly identify monthly sales reports to reduce participant confusion and improve reporting capabilities | Participating IOUs reported issues with monthly sales reports that were untimely or variable, in addition to not meeting their own reporting requirements. Interviewees reported that not knowing when a monthly sales report is final makes it more difficult to manage their budgets as the program year progresses. The program should either issue a single preliminary and final monthly sales report when records are complete, or clearly identify each iteration of the report with a version number and date. Further, the program currently produces monthly sales reports tailored to the BPA reporting standard, which can be inconvenient for IOU participants to use for their internal reporting and could be a potential barrier to participation. BPA and the implementation contractor should work closely with participating utilities to understand the reporting requirements and provide more applicable sales reports.

¹⁶ Since this writing, BPA has planned to launch a “no-cost” kit for non-retail delivery components intended to help small and rural utilities reach a wider customer base.

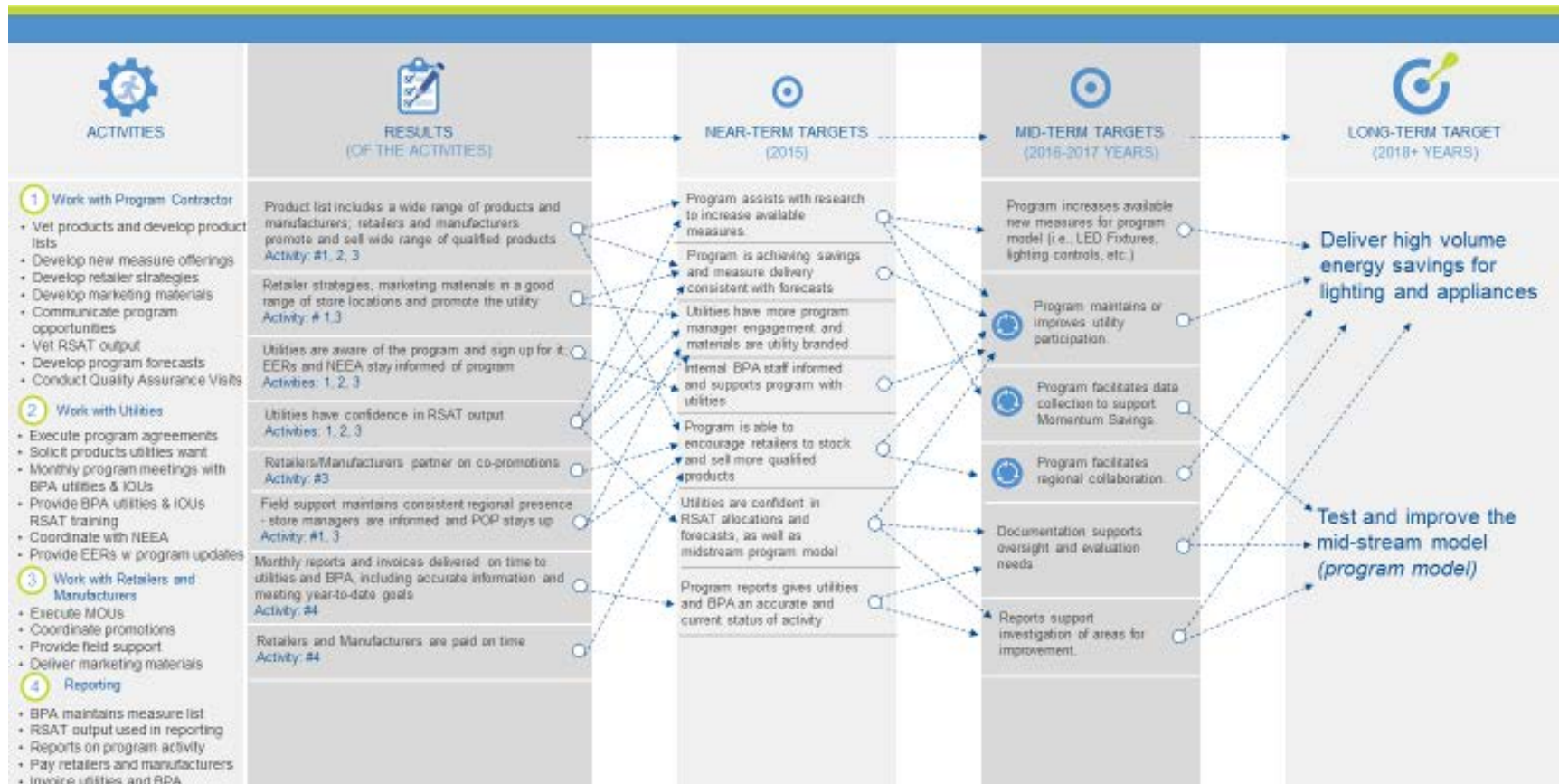
¹⁷ The term “meta-marketing” describes the marketing efforts BPA uses to promote Simple Steps across the entire region. Utilities can add their own logos in tandem to these marketing efforts to reach a wider audience.

¹⁸ Since this writing, BPA has planned to provide new point of purchase displays with large, full color utility logos. Further, BPA plans to increase program budget to improve overall program marketing efforts.

Appendix A. Simple Steps, Logic Model

The evaluation team reviewed and updated BPA's Simple Steps Logic Model based on discussions with BPA staff and other stakeholders. Figure A-1 illustrates the new logic model flow.

Figure A-1: Simple Steps Logic Model, 2015



Source: Navigant 2015

Appendix B. Incentive Strategy Assessment

Incentive and Marketing Strategy Methodology Overview

Navigant was tasked with analyzing measure incentive and unit sales data to determine if there is evidence that units with higher incentives tend to lead to a greater amount of units sold. The main obstacle in this task was the fact that there is a minimal amount of change in incentive amounts over time, in fact no change whatsoever in the case of many measures. Navigant conducted regression analysis aimed to quantify the effect of incentive amounts on units sold, but has reservations on the results, given the lack of variance in the incentive data and unknown variance in retail pricing. Navigant aggregated monthly sales data by measure number, manufacturer, and retail chain. Total sales were recorded in number of units sold within each month and incentive amount as the average per unit incentive amount for units sold within each month. Figure B-1 below shows the regression equation for incentive analysis.

Figure B-1: Regression Equation for Incentive & Marketing Strategy Methodology

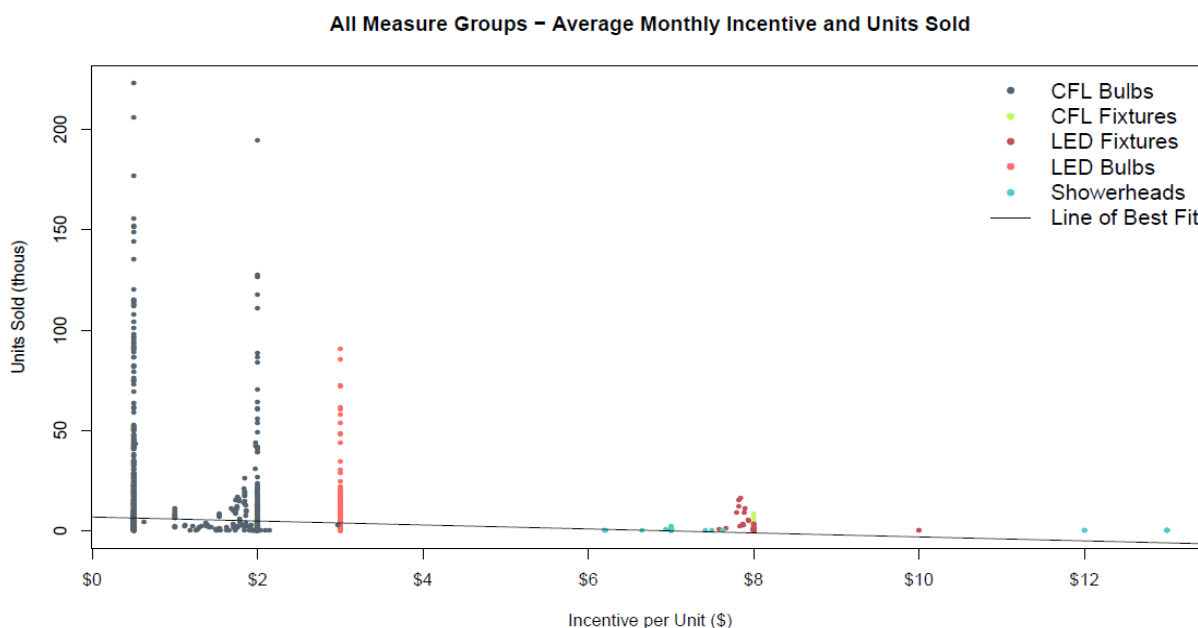
$$\text{Unit Sales} = \beta^{\text{Group}} \text{Group} * \text{Incentive} + \sum_{m=1}^{12} \beta_{y,m}^{\text{Month}} \text{Month}_m * \sum_{y=2012}^{2014} \text{Year}_y \\ + \beta^{\text{Manufact}} \text{Manufacturer} + \beta^{\text{Chain}} \text{Chain} + \beta^{\text{CRD}} \text{CRD}_c + \varepsilon$$

Where: **Unit Sales** is the total sum of units sold each month; **Group** is the measure groupings of similar types of measures; **Incentive** is the measure number average per unit incentive for each month; **Month** and **Year** are the month and year in which the sales occurred; **Manufacturer** is the manufacturer of each product; **Chain** is the store at which each product was purchased; and **CRD** is the measure number, also referred to as CRD_RefNo.

The lack of information on actual retail price produces a major hole in the analysis. Navigant believes that incentives may likely tend to be larger for products with a higher retail price. This would make incentive analysis problematic because consumers may be less willing to spend on relatively more expensive products, even when the expensive product has a larger incentive. Looking across all measure groups, the products with a smaller incentives sell more units. It is unlikely this is a consequence of the small incentives, but rather an effect of retail price or consumer preference for particular types of products. The evaluation team attempted to approximate the effect of retail price by adding manufacturer and retail chain data into the model. The idea was that this would capture some of the influence in variable retail pricing across different manufacturers and chains. For an ideal analysis though, retail price data would be more effective. In addition, data on sales of these same products with no incentive would improve the analysis.

Figure B-2 shows the overall relationship between incentive on the x axis and units sold on the y axis, where each dot corresponds to the sum of monthly sales within manufacturer and retail chain combinations. It can be seen that there is very little variation in the incentive amounts within measure groups. Also note that the measures with high incentives tend to sell fewer units. This seems to be simply a result of bulbs being the most popular items, despite having the smallest incentives.

Figure B-2: Average Monthly Incentive and Units Sold Across All Measure Groups



Source: Navigant 2015

Navigant is also interested in investigating the effect of marketing promotion and events on product sales. This is not yet possible lacking data on dates which promotion event occurred. In the final section below, the evaluation team plots the monthly sales over time to look for possible spikes to suggest the presence of successful promotions.

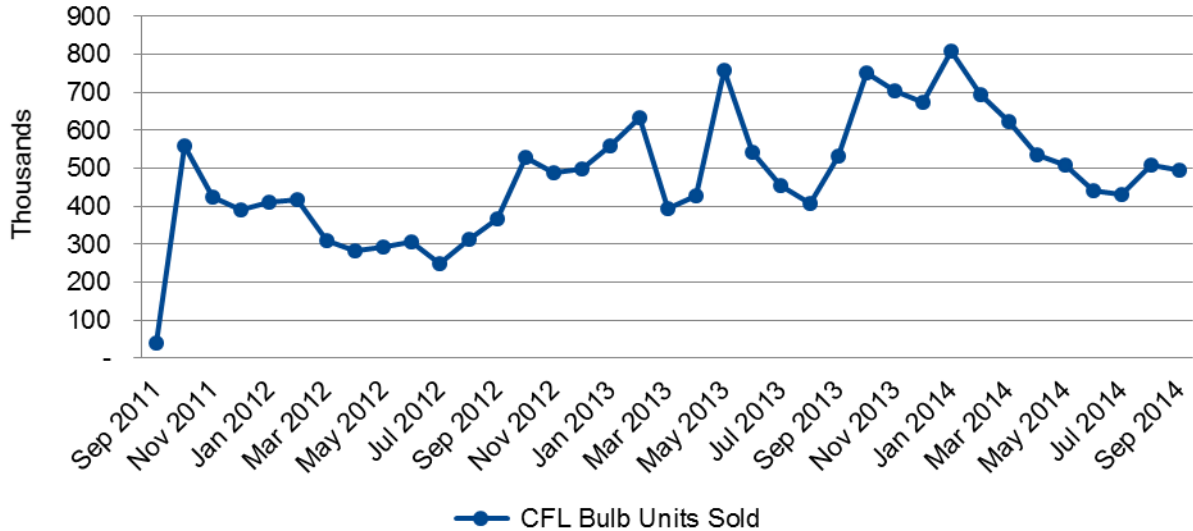
Marketing Strategy Analysis

Navigant currently does not have data on when marketing promotions and events occurred, so the evaluation team decided to plot sales totals over time to investigate whether any clear trends exist that may give clues about the marketing strategy. The figures below (Figure B-3, Figure B-4, Figure B-5, Figure B-6, Figure B-7, and Figure B-8) illustrate the sum of units sold over time by measure group. The evaluation team looked for spikes in the sales data which could indicate a successful marketing event. While interpretations of these figures in terms of marketing strategy are speculation only, there does appear to be clear spikes and valleys in the sales data. All of the measure groups have some periods where there are sharp increases in sales followed by sharp declines.

- **Significant CFL bulb spikes:** May 2013, October 2013, and January 2013
- **Significant CFL fixture spikes:** November 2013 and May 2014
- **Significant LED bulb spikes:** January 2014, May 2014, and August 2014
- **Significant LED fixture spikes:** December 2013, May 2014, and August 2014
- **Significant showerhead spikes:** September 2013 and June 2014

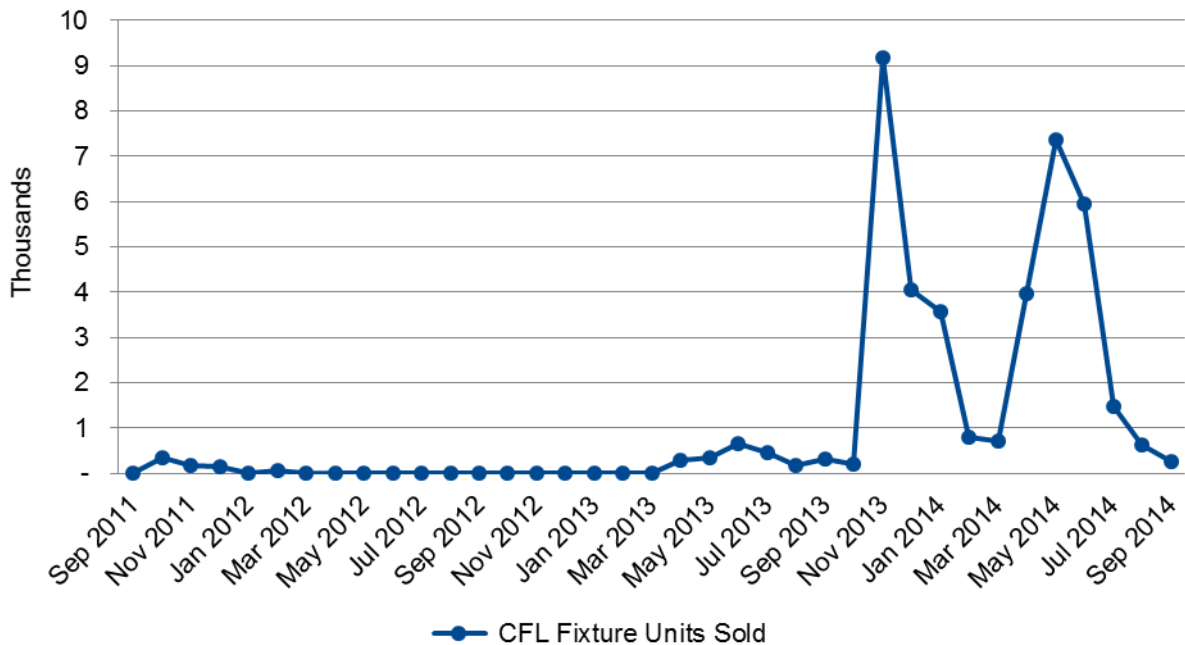
These spikes may be caused by seasonal effects, although they occur at different times throughout the year. Overall, the program showed strong sales in late 2013 and in May of 2014, so those seem to be the likeliest candidates of when marketing promotions may have occurred.

Figure B-3: CFL Bulbs Sold by Sales Month FY 2012-2014



Source: Navigant 2015

Figure B-4: CFL Fixtures Sold by Sales Month FY 2012-2014



Source: Navigant 2015

Figure B-5: LED Bulbs Sold by Sales Month FY 2012-2014



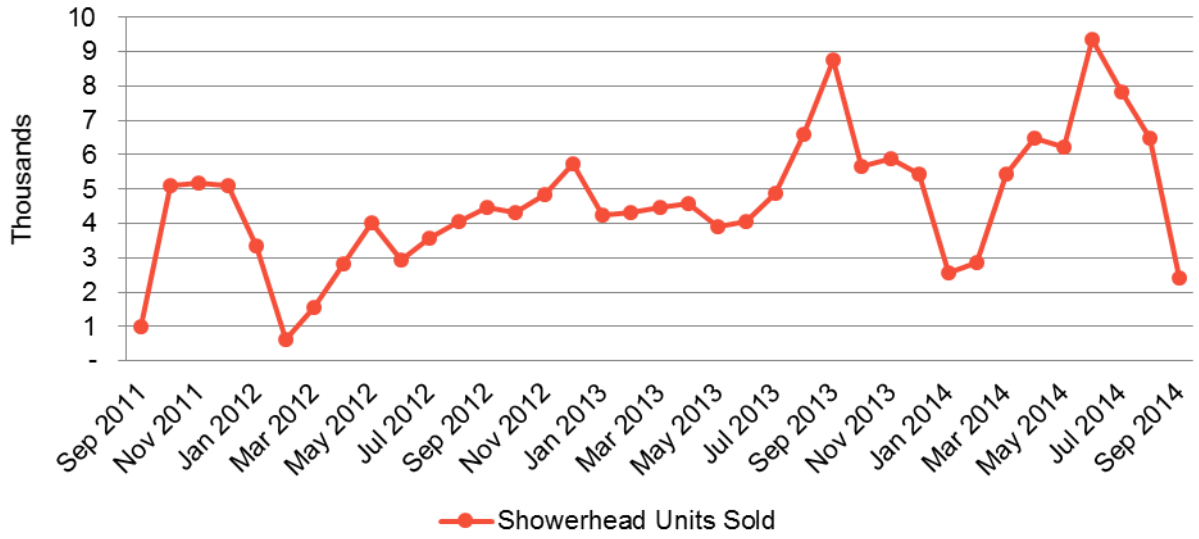
Source: Navigant 2015

Figure B-6: LED Fixtures Sold by Sales Month FY 2012-2014



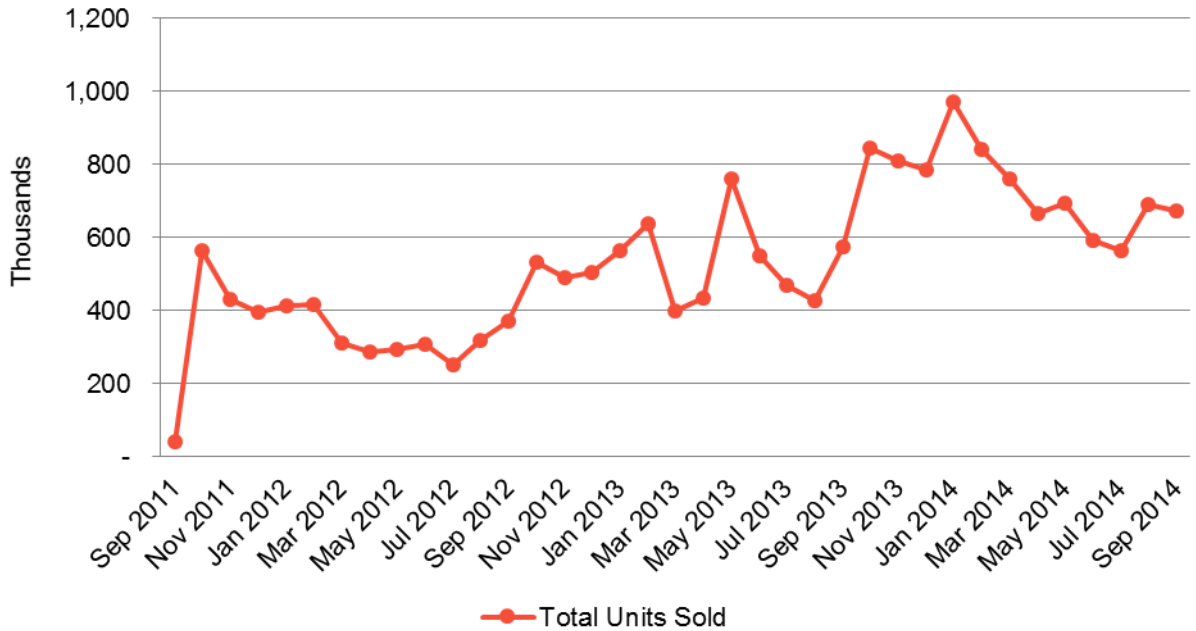
Source: Navigant 2015

Figure B-7: Showerheads Sold by Sales Month FY 2012-2014



Source: Navigant 2015

Figure B-8: Total S4 Units Sold by Sales Month FY 2012-2014



Source: Navigant 2015

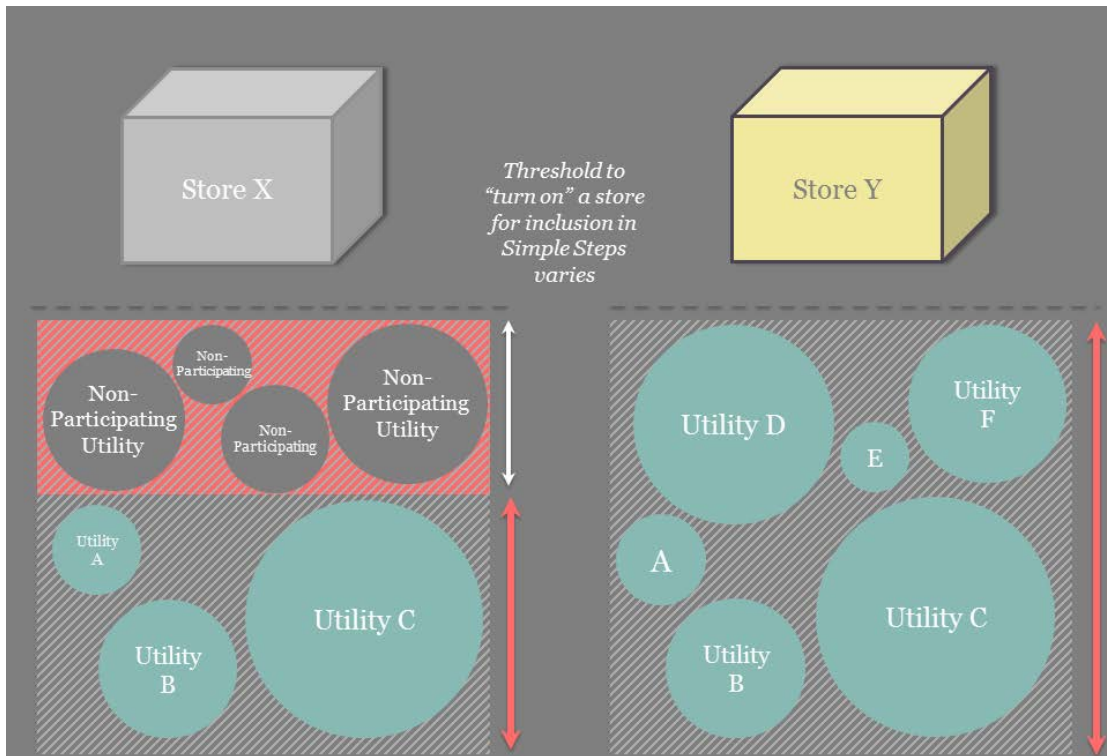
Appendix C. Retail Sales Allocations

Savings from the Simple Steps program are allocated to utilities from retail sales using the Retail Sales Allocation Tool (RSAT), an algorithm that accounts for location of the store, the store's proximity to participating and non-participating utilities, product type, and customer travel conditions, among other factors to determine what percentage of a given store's sales will be allocated to a utility.

Additionally, the total amount of participating sales making up a store also matters greatly to the program because it can determine whether the store can be "turned on" and provide the discounted measures to end-user consumers. In some cases, as many as eight utilities can be getting savings from a single store. According to the program implementer, the threshold for turning on a store varies based on the store type (i.e., big box, DIY, membership retailers, or small independent retailers) because their sales volume differs and the implementer is managing sales not only for participating utilities, but also working to minimize the percentage of non-participating sales that will need to be paid for too.

Figure C-1 illustrates how the RSAT works. Each circle represents a utility of varying size allocated to one of the stores. For Store X, the three utilities together do not push the allocation threshold high enough to turn on the store because the amount of non-participating savings. In other words, the savings not covered by the participating utilities is too high. For Store Y, all of the utilities that would get savings from the store have decided to participate, so the store has been turned on. Not every store in the program has multiple utilities allocated to it, so in some cases, it may not be possible to turn a store on even if utilities in the area are participating in the program and interested in savings. This is especially important for utilities in rural areas, which may not have the population to drive allocation high enough to turn on a store.

Figure C-1: Example Store Inclusion in Simple Steps program



Source: Navigant 2015

Appendix D. Detailed Evaluation Methodology and Data Collection Information

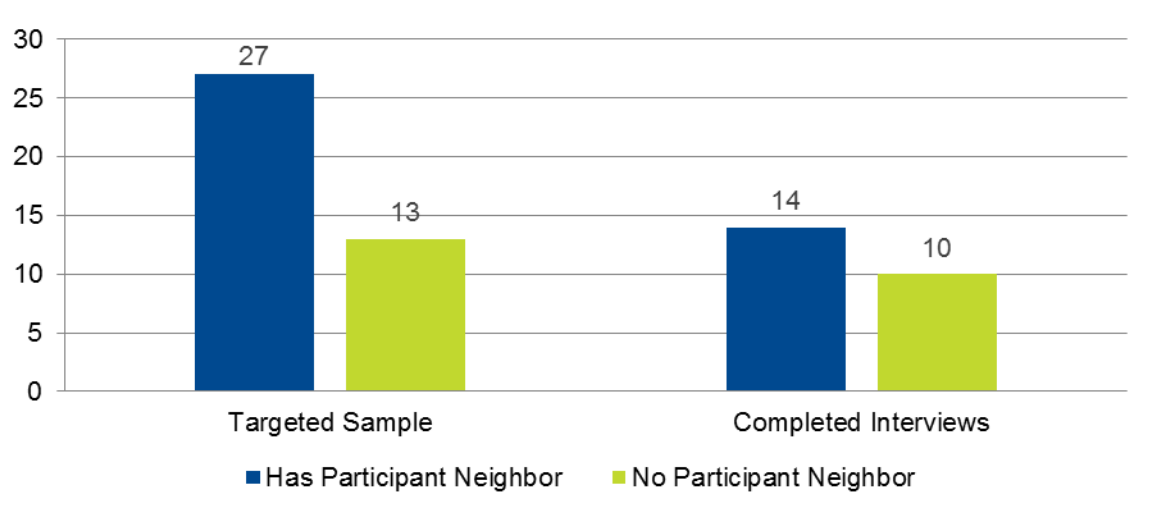
These sections include additional detail covering the evaluation methodology and data collection process.

In-Depth Interviews

The research team monitored characteristics of the interviewed non-participants to determine whether they mirrored those of the non-participant population.

Interviewed non-participants were also roughly similar to non-interviewed non-participants with respect to whether the utility shared a border with a participating Simple Steps public utility or IOU (Figure D-1).

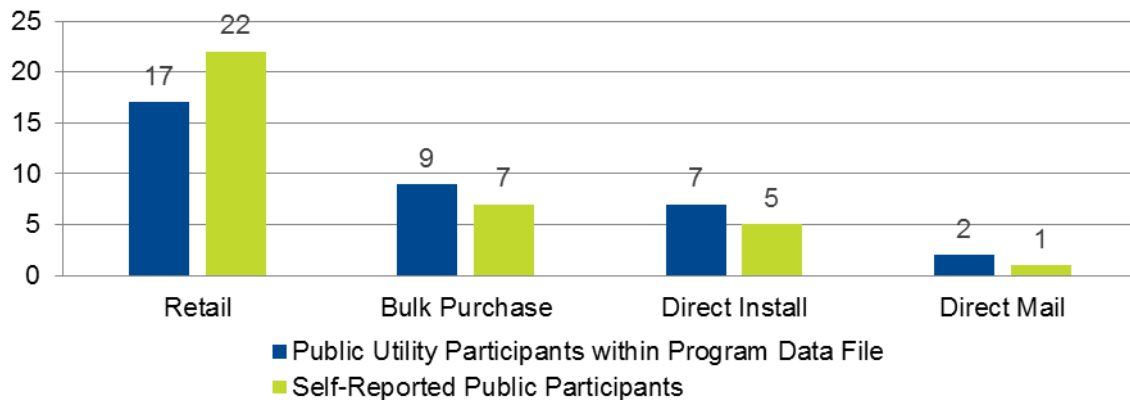
Figure D-1: Count of Planned and Completed Non-Participant Interviews by Neighboring Participant Presence



Source: Navigant 2015

In preparation for launching the participant interviews, the research team reviewed BPA-provided program data to identify the types of program delivery options that participants utilized through the program. Program data showed 17 public utility customers as participating in the retail component of the program, but 22 interviewees confirmed retail participation (Figure D-2). It was often the case in conducting interviews that the research team could not positively confirm participation in components of the program identified in the program data file. The research team found that when speaking with long-term participants that many of these utilities had experienced turnover in staff, which could contribute to difficulties in confirming past participation in a component of the program.

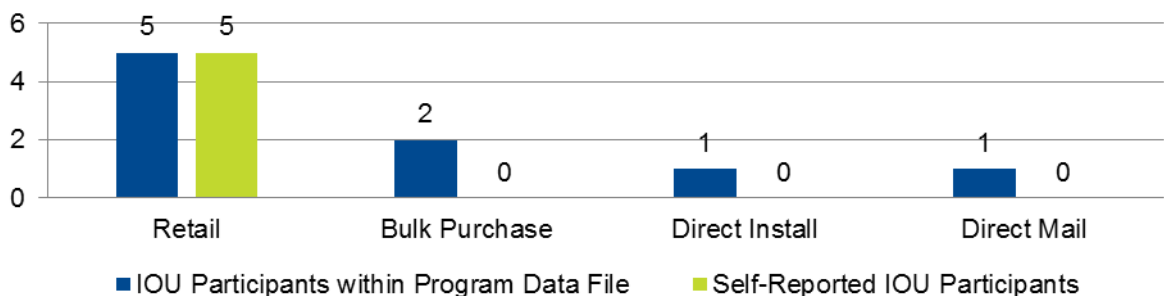
Figure D-2: Counts of Public Utility Participants in the Program Data File versus Self- Reported by Program Delivery Component



Source: Navigant 2015

The research team also looked at IOU participation in the various program delivery options. The team identified all IOU participants that took part in the Retail component of the program and confirmed program participation in this delivery component during the in-depth interviews. The program data only contained up to two IOUs that participated in the Bulk Purchase, Direct Mail, or Direct Install components of the program, none of these interviewees confirmed participation in these other delivery components (Figure D-3). In this case, some of the IOU interviewees who had difficulty in recalling participation in other program components outside of retail indicated that they might have participated in another program component in the past and just did not remember the experience. Interviewers did not ask follow-up questions on components of the program that the interviewee could not confirm participation in.

Figure D-3: Counts of IOU Participants in the Program Data File versus Self- Reported by Program Delivery Component



Source: Navigant 2015

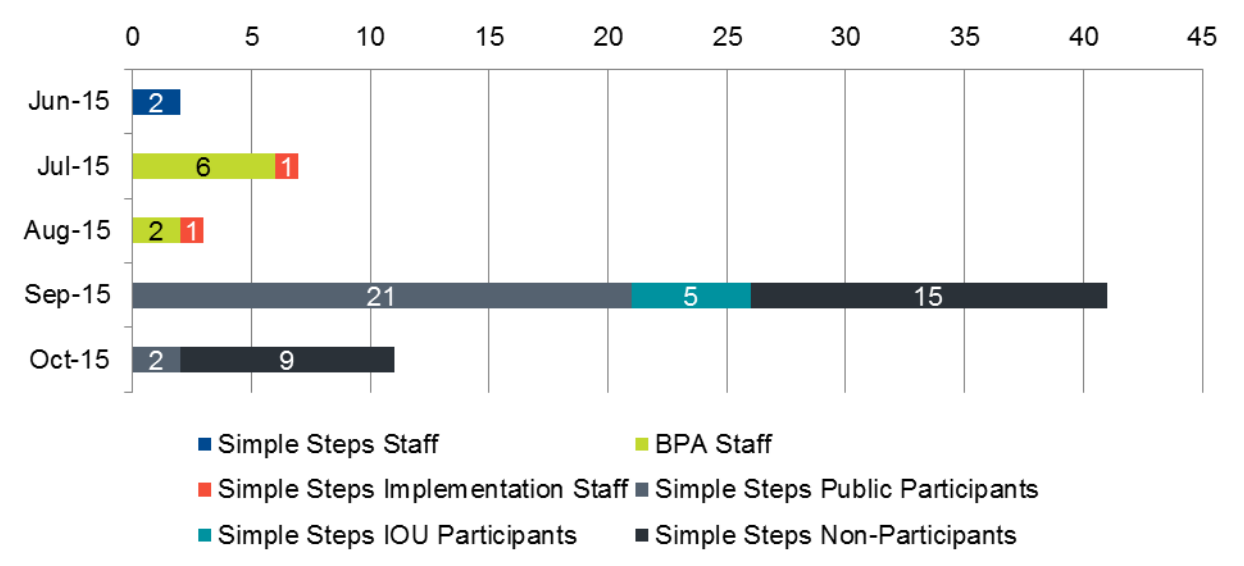
The research team spoke with both Simple Steps program staff at BPA and the implementation team to ensure that the program data file was correct. These groups indicated that the data file could flag utilities for potential leads to other delivery components, without those utilities actually participating in those components. This could lead to the discrepancies in the participation of the Bulk Purchase, Direct Install, and Direct Mail components of the program. For Retail participants that confirmed participation but were not identified in the program data file, program staff noted that some participants had just joined the program and others had

past experience with the program and just shifted to a separate program component. To contend with this issue, if an interviewee recalled participating in a program component, then interviewers treated that interviewee as a participant in that component of the program.

Fielding Process

Stakeholder interviews were staggered between June 2015 and October 2015 to correspond with the various tasks supporting this process evaluation. Figure D-4 identifies the number of interviews completed by stakeholder group across this period.

Figure D-4: Number of Stakeholder Interviews by Month

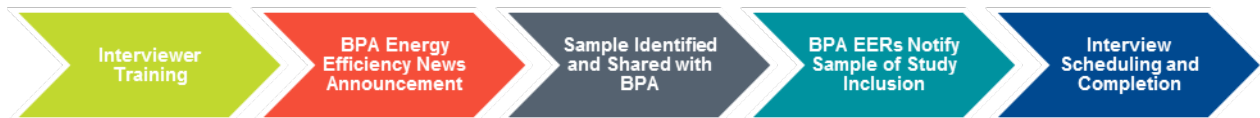


Source: Navigant 2015

The fielding process (

Figure D-5) for the stakeholder interviews required a significant amount of coordination. BPA offered support during the interview process by communicating the objectives with all stakeholders through their Energy Efficiency News website. BPA also contacted the interviewees identified in the sample design via email to inform them of the research team’s efforts and utilized the network of EERs to encourage participation in the study.

Figure D-5: Stakeholder Interview Fielding Process



Source: Navigant 2015

Prior to the launch of these interviews, the research team developed protocols to govern this research task, including identifying a single point of contact for all interview scheduling, establishing guidelines to maintain consistency and fidelity of interview implementation, collecting verbatim responses from stakeholders, and establishing a review process to maintain quality control over interview transcriptions.

Data Analysis Methodology

The following section provides detail around each step of the data analysis process applied to both the stakeholder interviews and program data analysis.

Interview Data Analysis

Throughout the duration of fielding, the evaluation team met to discuss preliminary findings and discuss the importance of these results to the study at large. As a result of these meetings, the team developed a coding scheme identifying themes and concepts to capture during the NVivo coding process. Once interviews were complete, two team members coded interview responses and reviewed each other’s work as a part of a formalized quality control process.

Analysis of stakeholder interviews used the qualitative analysis software, NVivo, which allowed users to import all stakeholder interview transcripts and code questions and themes emerging from the interview results. Analysts can then organize and classify these results for better comparison.

Participant and Non-Participant Interview Coding Methodology

Navigant utilized NVivo software to analyze qualitative interview feedback from participants and non-participants. The evaluation team’s NVivo coding scheme sorted (“coded”) each individual interview response into Level 1 categories (“nodes”) that broadly fit the process evaluation research objectives. In a second step, the evaluation team coded responses into Level 2 nodes that offered more detail within each research objective.

Table D-1 shows the Level 1 and Level 2 nodes identified for the NVivo coding scheme.

Table D-1: NVivo Coding Scheme – Nodes

Benefits of Program	Comments about the benefits of participation that participants see.
Benefits to Utility	Benefits of participation that primarily affect the utility (e.g. ease of participation).
Benefits to End-User	Benefits of participation that primarily affect the end-user (e.g. availability of discounted products).
Program Concerns	Aspects of the program about which the participant expressed concern or dissatisfaction.
Inactive components (Participants)	Concerns about program components the participant is not participating in, including rationale for not participating.

Active components (Participants)	Concerns about program components the participant is participating in.
Barriers to Wider Participation	Reasons other utilities may not participate in the program.
Other EE programming investments	Comments about other non-Simple Steps, Energy Efficiency Programming investments (for non-participants), including comparisons to Simple Steps program.
Flexibility	Comments expressing concern for the flexibility of the program.
Likelihood for Future Participation	Comments expressing the likelihood for non-participants to participate in the next program cycle.
Program Satisfaction	Comments about participant satisfaction with the program.
Overall	Overall satisfaction with the program and specific elements.
Measure availability	Comments about satisfaction with the measures available through various program components.
Flexibility	Comments about satisfaction with the flexibility of the program.
Savings	Comments about the program's effectiveness in generating savings.
Participant Characteristics	Characteristics of the participating utility that interviewees cite as impacting their experience with the program (e.g. rural customer base, geography of service area, etc.).
Program Activities	Comments about the activities the program uses to increase uptake of efficient products.
Marketing (end-user)	Comments about Simple Steps marketing to end-users, including utility co-branding.
QA/Field Services	Comments about the QA process and the field services role generally.
Pricing	Comments about the pricing of products available through Simple Steps.
Policies and Processes	Comments about the policies and processes underlying the program.
Allocation (RSAT)	Comments about the RSAT or the sales and savings allocation process generally.
Invoicing approach	Comments about the new invoicing approach, including the change to BPA's backstop role.
Potential for double counting	Comments about the potential for double counting between Simple Steps and other programs.

Targeted actors and products	Comments about the potential to target additional market actors (e.g. manufacturers, distributors) and/or add products.
Communication with BPA	Comments about the participants' communication with BPA, the implementer, and other utilities regarding the program.
Program Marketing (Utilities)	Comments about the information BPA provided initially and thoughts on program marketing to utility.
Ongoing	Comments about ongoing communication with BPA and The implementer about program status, changes, etc.
Neighboring Utilities	Comments about participants' communication with neighboring utilities about the program.
Program Component	Components of program - to be used in queries to isolate responses about each component.
Retail	All comments related to the retail component of the program.
Direct Mail	All comments related to the direct mail component of the program.
Direct Install	All comments related to the direct install component of the program.
Bulk Purchase	All comments related to the bulk purchase component of the program.
Appliances	All comments related to the appliance component of the program.
Reference Nodes	Nodes to call out specific types of comments for use in reporting.
Suggestions for improvement	Interviewees' suggestions of ways to improve the program.
Quotable	Particularly interesting or representative responses that may be used for quotes in reporting.

Additionally, Navigant used interviewee attributes to further segment interview responses. Using attributes allowed the evaluation team to compare findings between participant types, utility types, size, and other metrics. Table D-2 shows the attributes included in the NVivo coding scheme.

Table D-2: NVivo Coding Scheme – Attributes

Participant Type	Participant/Non-Participant
Utility Type	IOU/PUD/Muni/Coop
Number of Stores	Quartiles: Most/Moderate/Few/Least
Average Allocation	Quartiles: Most/Moderate/Few/Least
Size/Budget Proxy	Quartiles: Most/Moderate/Few/Least
Q8 Overall Satisfaction	0-10 rating
Q9a Retail Component Satisfaction	0-10 rating
Q9b Retail Measure Satisfaction	0-10 rating
Q15a DI Satisfaction	0-10 rating
Q15b DI Measure Satisfaction	0-10 rating
Q16a Direct Mail Satisfaction	0-10 rating
Q16b Direct Mail Measure Satisfaction	0-10 rating
Q17a Bulk Purchase Satisfaction	0-10 rating
Q17b Bulk Purchase Measure Satisfaction	0-10 rating
Q18 Marketing to BPA Utilities Satisfaction	0-10 rating

Program Data Analysis

The evaluation team sought to understand the differences between the IS2.0 and Simple Steps program data before analysis.

IS2.0 database: The IS2.0 database is BPA’s record of project data for all programs, including Simple Steps. Importantly, IOU data are not included in the IS2.0 database, and all data are self-reported by utilities in order to claim an incentive payment from BPA. The team analyzed Simple Steps data from IS2.0 from two separate tables within the database: the “IS2 Approved Invoices” table for participating public utilities, and the “Third Party” table for non-participating public utilities. These two tables contained the columns needed for the analysis, namely utility name, fiscal year of savings, measure reference number, reportable savings, quantity, incentives and admin costs paid, which required analysts to merge the tables for analysis. The row of data provided the total quantity by utility, reference number, and fiscal year.

Simple Steps program data: The program implementer compiled program data independent of the IS2.0 database. These data consisted of individual unit sales by utility, reference number, fiscal year, sales month, manufacturer, and retail store. The Simple Steps program data are more granular than the IS2.0 data in that its unit of analysis is individual sales. The Simple Steps program data, which has many more rows of data than in the IS2.0 data, had to be aggregated in order to resemble and be merged with the IS2.0 data. The Simple Steps program data, like the IS2.0 data, included utility name, fiscal year of savings, measure reference number, reportable savings, quantity, incentives, and administrative costs paid. Also like the IS2.0 data, participant and non-participant data were in separate datasets.

The evaluation team initially sought to cross reference the Simple Steps program data with the IS2.0 data to confirm the accuracy of the data. There were several steps taken before the team could compare the two files, including the following:

- Removed IOUs from the Simple Steps program data since they are not included in the IS2.0 database.
- Classified Utility A as a participant in the Simple Steps program data despite its inclusion in the non-participant data files. The implementer tracks Utility A as a non-participant based on the special arrangement with BPA, where BPA receives the implementer sales invoice despite Utility A being a participant utility.
- Standardized utility names across the datasets.
 - Used a string matching algorithm to match the utility names that were clearly the same utility and written similarly in the dataset. Used a strict threshold with the string matching to make only obvious matches, and no false matches. The evaluation team made successful matches using this string matching algorithm for approximately half of the names in the dataset.
 - Manually matched the remaining utility names and checked that the string matching algorithm did not produce false matches.
- Aggregated the Simple Steps program data by utility, reference number, and fiscal year so that it was in the same format as the IS2.0 data.
- Merged the two datasets by utility, reference number, and fiscal year and compared the two totals. The team experienced the following issues when combining datasets, and discussed these issues with BPA.
 - Non-participant data matched almost exactly—with the exceptions mentioned in the data issues below.
 - Participant data more discrepancies between the datasets. For nearly all utilities, the implementer totals were larger than the IS2.0 totals. BPA explained that these participants stopped reporting larger sales to BPA and predictably caused this difference. Three larger utilities the IS2.0 totals greatly exceeded the implementer totals. The evaluation team attributed this discrepancy to the impact of outside programs, in addition to funding limitations.
- Developed a method to quantify Simple Steps data unreported to BPA.
 - Took the unit quantity from the Simple Steps program data and subtracted the IS2.0 data quantity for the same utility, reference number, and fiscal year combination to calculate the number of unreported units. To get the amount of unreported savings, the team multiplied each quantity by the measure and year specific to each unit savings value. Verified the per unit savings value was consistent for both implementer and IS2.0 data.
- Developed a method for quantifying outside program totals.

- In contrast to the unreported totals, the evaluation team took the IS2.0 unit quantity and subtracted the implementer unit quantity to the number of units from outside programs. The team then calculated savings by multiplying the unit totals by the measure and year specific to each unit savings value.
- Normalized savings in terms of EEI budget, per BPA request.
 - Obtained EEI budgets for each utility from BPA.
 - Divided each utility's Simple Steps savings by their EEI budget, and then divided by 1,000 to generate savings per \$1,000 of budget.

Detailed data issues stemming from these steps included:

- 1. Issue:** BPA entered a portion of the non-participating utility data incorrectly into the IS2.0 database "Third Party" table. The table contained three cases where data entry staff falsely attributed units to an adjacent utility. The team identified this error when a certain utility was missing a particular quantity, and the adjacent utility had an excess of the exact same amount. These errors occurred exclusively for non-participating utilities and were evident because the Simple Steps program data matched the IS2.0 data exactly with the exception of these errors. **Solution:** The evaluation team brought this to BPA's attention and BPA fixed the errors in the database.
- 2. Issue:** There is almost no variability in incentive amounts over time, so it was impossible for the evaluation team to use a regression method to estimate the effect of incentives on unit sales robustly. **Solution:** The evaluation team created a regression model with the data available, which was not an econometrically robust model but was the best option available to apply the data. Results are only interesting for compact fluorescent (CFL) bulbs, where there was some incentive variation. The evaluation team sees some evidence for incentives having an effect on sales for CFL bulbs, but, again, there are issues with the model. If incentive amounts change in the future, the evaluation team would be able to run a better model. In that case, the evaluation team would also want to have data on specific retail prices of units across different retailers.
- 3. Issue:** The evaluation team could not find dates of program marketing events and promotions, so it was impossible to analyze the effectiveness of promotions on program sales and incentives. **Solution:** The evaluation team plotted monthly sales to look for spikes. The evaluation team could see some possible evidence of events but cannot be certain without data on the dates. If this data does not currently exist, the evaluation team recommends tracking sales promotions to enable further analysis on the impacts that marketing promotions have on program sales. This can shed light on which are the most effective interventions.

Appendix E. Interview Guides

This section contains the actual interview guides used to gather data on BPA’s Simple Steps program.

The Program Participant Interview Guide

This interview guide is a tool to guide process evaluation interviews with public utility customers participating in the Simple Steps, Smart Savings Program and will be used to drive the evaluation team’s discussion with public utility customers regarding their experience with the program, including determining motivations for participation, awareness and satisfaction with program components, assessment of program organization, benefits, and changes. Follow-up questions are a normal part of these types of interviews. Therefore, there will be sets of questions that will be more fully explored with some individuals than with others.

Table E-1: Simple Steps, Smart Savings Participant Interview Topics and Objectives

Motivation for Participation	Understand reasons why public utility customers decided to participate in the Simple Steps, Smart Savings Program
Awareness of Program Components	Determine extent of awareness of program components (e.g., Retail, Direct Mail, Direct Install, and Bulk Purchase)
Program Satisfaction	Assess satisfaction with program components, including importance of program utility branding, flexibility and customization of the program, and quality of program operations
Program Organization	Explore public utility customer thoughts about interactions with program and program stakeholders, preferences regarding program models (e.g., upstream vs. midstream vs. downstream), allocation of savings, and changes to the backstop role
Interview Wrap-Up	Gather participant suggestions for program improvements

[Interviewer Instructions: This interview will be conducted via telephone and will be recorded and transcribed as needed for the purposes of this evaluation.]

Name of Interviewee: _____ **Date:** _____

Title: _____ **Utility:** _____

Participant Type:

IOU PUD Municipal Cooperative Direct Service
Industry

Participant Component:

Retail Direct Install Direct Mail Bulk
Purchase

Pre-Interview Notes:

Introductory Scripting

Thank you for taking the time to speak with me today! Navigant, on behalf of Bonneville Power Administration (BPA) is conducting an evaluation of the Simple Steps, Smart Savings Program. As a part of this evaluation, we are conducting interviews with public utility customers to gather feedback on your experiences with the Simple Steps program. Your feedback is very important and will help BPA in improving its program offerings. Before we begin, would you say that you are the most knowledgeable person about your organization's involvement in the Simple Steps, Smart Savings Program? *[Probe: Would you say you are the person closest to the decision-making process about the program? Do you conduct daily activities related to residential programs or oversee residential program decisions?]*

IF YES: Proceed with interview.

IF NO: Identify correct contact. Thank interviewee for time and end interview.

This interview should take about an hour to complete. All reporting for this evaluation will be done in aggregate and no one interviewed for this study will be identified and any quotes presented in the text will not be directly attributed to interviewees. Since I'll be taking notes during this session, just to make sure I don't miss anything, is it okay if I record our interview?

IF YES: Great, thanks! As a note, all interview recordings will be deleted once reporting has been completed.

IF NO: No problem. Let's get started.

Motivation for Participation

Objective: Understand reasons why public utility customers decided to participate in the Simple Steps, Smart Savings Program

1. How did you hear about the program? What led you to seek information about the program out?
2. What have you seen as being the primary benefits of the program?
3. As a public utility customer, you have several efficiency acquisition options available to you to invest in using either your own funds or your energy efficiency incentive (EEI) funds. Relative to other options, why did you ultimately decide to participate in the Simple Steps program?

Awareness of Program Components

Objective: Determine extent of awareness of program components (e.g., Retail, Direct Mail, Direct Install, and Bulk Purchase)

1. As we understand it, your organization decided to participate in the [CIRCLE COMPONENTS: Retail Direct Mail, Direct Install, Bulk Purchase] components of the Simple Steps program. Is this right?
2. Do you feel like you had enough information about each program component in order to make an informed decision about whether to add it to your portfolio of programs? What kind of information would have helped you better understand the available program offerings?
3. Why did you decide to participate in this/these components of the program?
4. [ASK IF INTERVIEWEE DID NOT PARTICIPATE IN ALL COMPONENTS] Why did you decide not to participate in the other program components? Were there any barriers keeping you from participating in those other components? What could make it easier to participate in these other program components?

Program Satisfaction

Objective: Assess satisfaction with program components, including importance of program utility branding, flexibility and customization of the program, and quality of program operations

1. Based on your experience with the Simple Steps program, using a scale of 0-10, where 0 is “extremely dissatisfied” and 10 is “extremely satisfied,” how would you rate your satisfaction with the program overall ? [RECORD NUMERIC RESPONSE:
_____]

IF POSITIVE (10-7)/NEUTRAL (6-4): Why did you rate it that way?

IF NEGATIVE (3-0): Why did you rate it that way? What could be done to remedy this issue?

2. *[ASK RETAIL PARTICIPANTS]* As we understand it, your organization participated in the retail products component of the program.
 - a. Using a scale of 0-10, where 0 is “extremely dissatisfied” and 10 is “extremely satisfied,” how would you rate your satisfaction overall with the retail products component of the program? *[RECORD NUMERIC RESPONSE: _____]*
 - b. Using the same scale, how satisfied were you with the measure options available through the retail products component of the program? *[RECORD NUMERIC RESPONSE: _____]*
 - c. What has been your experience with the retail products component of the program? Did your expectations of this program element align with your experience? If so, how? *[Probe on delivery of the program (i.e., on-site implementation), customer and end-user satisfaction, and what the customer thinks could improve the quality assurance process (i.e., field representative monitoring of in-store displays and retail staff knowledge of program).]*
 - d. Are there any aspects of the retail products component that you would like to see improved? *[Probe on measures and appliances models (i.e., quality level or suggestions for additional measures)]*
3. *[ASK RETAIL PARTICIPANTS]* Marketing of the retail products component of the Simple Steps program includes the development of both Point-of-Purchase (POP) displays and incentive strategies designed to encourage end-users to purchase program incented measures, like CFLs, advanced power strips, and ENERGY STAR rated appliances. How effective is the program marketing? Are there any approaches that could be applied to improve program marketing?
4. *[ASK RETAIL PARTICIPANTS]* Based on public utility customer feedback, the implementation contractor conducts its own quality assurance checks by rotating field representatives through retail stores participating in the program to verify that point-of-purchase (POP) displays are in place, measures are priced appropriately, and that store staff and management are aware of the Simple Steps program. What are your thoughts on this process? *[Probe on what the public utility customer thinks could improve the quality assurance process.]*
5. *[ASK RETAIL PARTICIPANTS]* Since the success of the program is based on the level of participation achieved among public utility customers, have you ever discussed the program with your neighboring public utility customers? What benefits do you see any benefit in working with your neighbors through the program?
6. Outside of Simple Steps, do you offer any other giveaways or rebates for lighting, showerheads, and appliances? Do you think this might be resulting in any double counting of savings/rebates on the same products? What are your thoughts on this issue?

IF YES (i.e., there is an issue): How widespread would you say this is?

7. *[ASK RETAIL PARTICIPANTS]* The Simple Steps program provides midstream options to its public utility customers, where retail products are provided to end-user customers through buy-downs to make the energy efficient products more affordable. Do you think the program would benefit from offering upstream options, where incentives would be provided to installing contractors, distributors, or manufacturers to encourage these stakeholders to stock more energy efficient products? If so, in what areas would you like to see upstream options available? *[Probe on measure/equipment areas or ways to connect with distributors, contractors, or manufacturers to motivate market change. Observe and note comments related to NEEA's Products Portfolio and any perceived overlap.]*

8. *[ASK DIRECT INSTALL PARTICIPANTS]* As we understand it, your organization participated in the direct install component of the program.
 - a. Using a scale of 0-10, where 0 is "extremely dissatisfied" and 10 is "extremely satisfied," how would you rate your satisfaction overall with the direct install component of the program? *[RECORD NUMERIC RESPONSE: _____]*

 - b. Using the same scale, how satisfied were you with the measure options available through the direct install component of the program? *[RECORD NUMERIC RESPONSE: _____]*

 - c. What has been your experience with the direct install component of the program? Did your expectations of this program element align with your experience? If so, how? *[Probe on delivery of the program (i.e., on-site implementation/quality of field representatives' work), customer and end-user satisfaction, and what the customer thinks could improve the quality assurance process.]*

 - d. Are there any aspects of the direct install component that you would like to see improved?

9. *[ASK DIRECT MAIL PARTICIPANTS]* As we understand it, your organization participated in the direct mail component of the program.
 - a. Using a scale of 0-10, where 0 is "extremely dissatisfied" and 10 is "extremely satisfied," how would you rate your satisfaction overall with the direct mail component of the program? *[RECORD NUMERIC RESPONSE: _____]*

 - b. Using the same scale, how satisfied were you with the measure options available through the direct mail component of the program? *[RECORD NUMERIC RESPONSE: _____]*

 - c. What has been your experience with the direct mail component of the program? Did your expectations of this program element align with your experience? If so, how? *[Probe on delivery of the program (i.e., measure packaging and mailing process to customer or end-user customers), customer and end-user*

satisfaction, and what the customer thinks could improve the quality assurance process.]

- d. Are there any aspects of the direct mail component that you would like to see improved?

10. *[ASK BULK PURCHASE PARTICIPANTS]* As we understand it, your organization participated in the bulk purchase component of the program.

- a. Using a scale of 0-10, where 0 is “extremely dissatisfied” and 10 is “extremely satisfied,” how would you rate your satisfaction overall with the bulk purchase component of the program? *[RECORD NUMERIC RESPONSE: _____]*
- b. Using the same scale, how satisfied were you with the measure options available through the bulk purchase component of the program? *[RECORD NUMERIC RESPONSE: _____]*
- c. What has been your experience with the direct mail component of the program? Did your expectations of this program element align with your experience? If so, how? *[Probe on ease of use of the bulk purchase options (i.e., online purchasing and contact with the implementation contractor to purchase), and customer satisfaction. Ask what the customer has done with the bulk purchase measures (e.g., provided to end-user customers through giveaways).]*
- d. Are there any aspects of the bulk purchase component that you would like to see improved?

11. The program is marketed through several activities to appeal to new public utility customers, like face-to-face meetings, the Simple Steps website, monthly PM meetings, EER staff, and utility promotion kits among other things. Using a scale of 0-10, where 0 is “extremely dissatisfied” and 10 is “extremely satisfied,” how satisfied are you with the marketing of the Simple Steps program to public utility customers? *[RECORD NUMERIC RESPONSE: _____]*

12. *[ASK IF RETAIL PARTICIPANT]* As we understand it, the retail component of the program includes opportunities for utility co-branding with the Simple Steps program. What do you generally think about the availability of co-branding? Is the co-branding visible enough to end-users? Are there any changes you would like to see in how co-branding is accomplished through the program and its components?

13. Do you feel that the program has been flexible enough to meet your organization’s needs? Is there anything BPA or the implementer could do to make the program more accessible and flexible to participants? *[Probe on the customization of program elements (i.e., direct mail or bulk purchase options), availability of measure types, and working with retailers and manufacturers to benefit customers (i.e., ability to turn on stores).]*

14. Overall, how effective has the Simple Steps program been in generating expected savings for your organization?

15. Are there any other program delivery offerings that are not currently included, but you feel would help encourage participation in the program or improve public utility customer satisfaction with the program? *[Probe on the addition of incentive strategies, measure offerings, or delivery options that are either new or modify current offerings.]*

Program Organization and Changes

Objective: Explore public utility customer thoughts about interactions with program and program stakeholders, preferences regarding program models (e.g., upstream vs. midstream), allocation of savings, and changes to the backstop role

1. In the Simple Steps program, savings are allocated to utilities using the Regional Sales Allocation Tool (RSAT). What have you thought about this approach to determining savings? Have you ever had questions about how store allocation works? Do you see a way to improve this process?
2. In April, the Simple Steps program launched a new approach to participating utility invoicing. The new approach is based on kWh and applies a new payment structure for unclaimed utility savings. Now, all unclaimed savings will now be divided among participating utilities at the end of each fiscal year. What do you think about this? Do you think this change will impact your organization's level of participation in the program? How so? *[Probe on changes to the new cost per kWh, pricing structure changes, and whether that had any impact on participation.]*

Interview Wrap-Up

Objective: Gather participant suggestions for program improvements

1. Are there any strategies that could be more effective in appealing to public utility customers that have not yet participated in the program?
2. As we understand it, the rate period is ending and decisions around future budgets and program participation need to be made soon. How likely are you to participate in the Simple Steps program again in the next program cycle?

IF YES: Why have you decided to continue your participation in the program?

IF NO: Why have you decided not to continue participating in the program? What could persuade you to stay in the program? *[Probe for changes to program design, changes to list of incented measures, addition of delivery channels, or anything else]*

3. Is there anything I didn't ask about your experience with the Simple Steps program that you would like to share?

Thank you very much for taking the time to talk with me. Your contribution is a very important part of the process. Do you mind if we follow-up with you by phone later, if additional questions arise?

The Non-Participant Interview Guide

The interview guide is a tool to drive process evaluation interviews with public utility customers who have decided not to participate in the Simple Steps, Smart Savings Program. Focus will be placed on understanding why these public utility customers decided not to participate in the program, while also delving into whether there are barriers keeping these public utility customers from participation, understanding awareness of program components, in addition to understanding the effectiveness of program marketing. Follow-up questions are a normal part of these types of interviews. Therefore, there will be sets of questions that will be more fully explored with some individuals than with others.

Table E-2: Simple Steps, Smart Savings Non-Participant Interview Topics and Objectives

Motivation for Participation	Understand reasons why public utility customers decided not to participate in the Simple Steps, Smart Savings Program
Awareness of Program Components	Determine extent of awareness of program components (e.g., retail, direct mail, direct install, and bulk purchase)
Program Organization	Explore public utility customer thoughts about interactions with program and program stakeholders, preferences regarding program models (e.g., upstream and midstream), and allocation of savings
Interview Wrap-Up	Gather participant suggestions for program improvements

[Interviewer Instructions: This interview will be conducted via telephone and will be recorded and transcribed as needed for the purposes of this evaluation.]

Name of Interviewee: _____ **Date:** _____

Title: _____ **Utility:** _____

Customer Type:

IOU PUD Municipal Cooperative Direct Service
Industry

Pre-Interview Notes:

Introductory Scripting

Thank you for taking the time to speak with me today! Navigant, on behalf of Bonneville Power Administration (BPA) is conducting an evaluation of the Simple Steps, Smart Savings Program, a regional promotion designed to increase the adoption of energy efficient residential products. As a part of this evaluation, we are conducting interviews with public utility customers to gather feedback on your experiences with the Simple Steps program. Your feedback is very important and will help BPA in improving its program offerings. Before we begin, would you say that you are the most knowledgeable person about your organization's residential programs? [*Probe: Would you say you are the person closest to the decision-making process around what programs to participate in/invest in? Do you conduct daily activities related to residential programs or oversee residential program decisions?*]

IF YES: Proceed with interview.

IF NO: Identify correct contact. Thank interviewee for time and end interview.

This interview should take about 30 minutes to complete. All reporting for this evaluation will be done in aggregate and no one interviewed for this study will be identified and quotes presented in the text will not be directly attributed to interviewees. Since I'll be taking notes during this session, just to make sure I don't miss anything, is it okay if I record our interview?

IF YES: Great, thanks! As a note, all interview recordings will be deleted once reporting has been completed.

IF NO: No problem. Let's get started.

Motivation for Participation

Objective: Understand reasons why Public utility customers decided not to participate in the Simple Steps, Smart Savings Program

1. How did you hear about the Simple Steps, Smart Savings Program?
2. Why did you decide not to participate in the Simple Steps, Smart Savings Program?
[Probe for budget constraints, interest in other BPA program offerings – how important were these factors in the decision-making process]
3. How did you invest your funds for energy efficiency programming? What was it about these offerings that was more appealing than Simple Steps? How does the Simple Steps program compare to other BPA program offerings?

Awareness of Program Components

Objective: Determine extent of awareness of program components (e.g., retail, direct mail, direct install, and bulk purchase)

1. The Simple Steps program offers participants four delivery options. Do you feel like you had enough information about each program component in order to make an informed decision about whether to add it to your portfolio of programs? What kind of information would have helped you better understand the available program offerings? *[Probe on each program component (i.e., retail, direct mail, direct install, and bulk purchase)]*
2. Were there any barriers keeping you from participating in those other components? What could make it easier to participate in these other program components?
3. The program is marketed through several activities to appeal to new public utility customers, like face-to-face meetings, the Simple Steps website, monthly PM meetings, EER staff, and utility promotion kits among other things. Are there any strategies that could be more effective in appealing to public utility customers that have not yet participated in the program?
4. Is there anything BPA or the implementer could do to make the program more accessible and flexible to public utility customers? *[Probe on the customization of program elements (i.e., direct mail or bulk purchase options), and working with retailers and manufacturers to benefit customers (i.e., ability to turn on stores).]*
5. Are there any other program delivery offerings that are not currently included, but you feel would help encourage participation in the program? *[Probe on the addition of measures and delivery options that are either new or modify current offerings.]*

Program Organization and Changes

Objective: Explore Public utility customer thoughts about interactions with program and program stakeholders, preferences regarding program models (e.g., upstream vs. midstream), and allocation of savings

1. The success of the program can be viewed as being based on the level of participation achieved among public utility customers. Do you feel that your participation in the program has been contingent on the participation of other public utility customers? Have you ever discussed the program with your neighboring public utility customers? Do you think the program should do more to encourage neighboring participation the program? If so, what strategies should the program employ to boost participation?
2. In the Simple Steps program, savings are allocated to utilities using the Regional Sales Allocation Tool (RSAT). What have you thought about this approach to determining savings? Have you ever had questions about how store allocation works? Was this process a factor in your decision not to participate in the program?
3. In April, the Simple Steps program launched a new approach to participating utility invoicing. The new approach is based on kWh and applies a new payment structure for unclaimed utility savings. Now, all unclaimed savings will now be divided among participating utilities at the end of each fiscal year. What did you think about this change? Did it impact your decision to participate in the program? *[Probe on changes to the new cost per kWh, pricing structure changes, and whether that had any impact on participation.]*
4. Is Simple Steps currently in stores in your service territory? Do you offer any other rebates for lighting, showerheads, and appliances? Do you think this might be resulting in any double counting of savings/rebates on the same products? What are your thoughts on this issue? IF YES (i.e., there is an issue): How widespread would you say this is?

Interview Wrap-Up

Objective: Gather participant suggestions for program improvements

1. As we understand it, the rate period is ending and decisions around future budgets and program participation need to be made soon. How likely are you to participate in the Simple Steps program again in the next program cycle?
2. What could persuade you to participate in the program? *[Probe for changes to program design, changes to list of incented measures, addition of delivery channels, or anything else]*
3. Is there anything I didn't ask about your experience with the Simple Steps program that you would like to share?

Thank you very much for taking the time to talk with me. Your contribution is a very important part of the process. Do you mind if we follow-up with you by phone later, if additional questions arise?

