



# Peoples Gas and North Shore Gas Residential Home Energy Rebates Program

2020 Process Evaluation Results

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PGL and NSG

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October 2020

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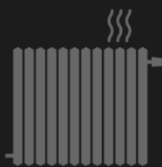
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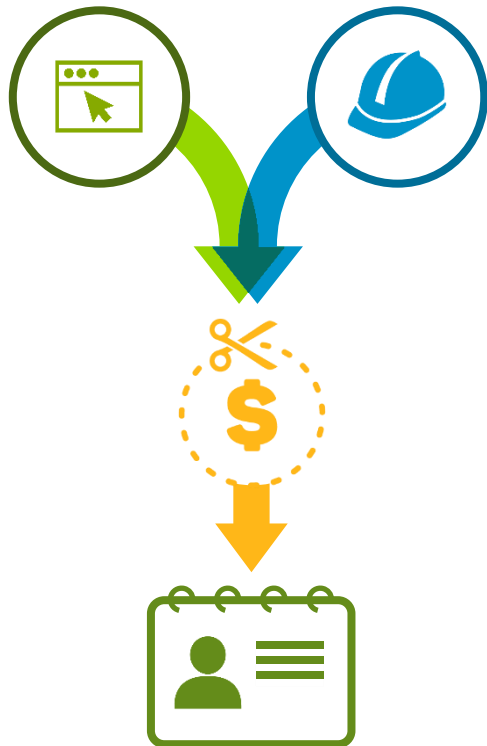
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# 01

## Introduction

# How is the program designed to meet the goals?



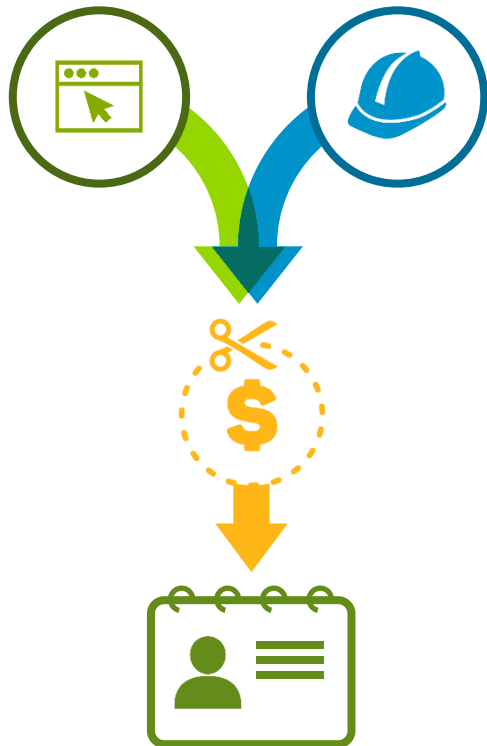
- PGL and NSG offers the Home Energy Rebates (HER) program to residential customers. Residential customers receive rebates when they install eligible space heating and water heating equipment. Eligible equipment along with 2020 and 2019 maximum rebate amounts are listed below. The maximum rebate amounts allowed in 2020 for hot water boilers and boilers installed with a domestic hot water two-in-one unit decreased compared to 2019.

Heating and Water Heating Equipment	2020 Maximum Rebate per Home	2019 Maximum Rebate per Home
Furnace – 95% AFUE or Greater	\$200	\$200
Boiler + Integrated DHW 2 in 1 Unit	<b>\$500</b>	<b>\$600</b>
Hot Water Boiler – 88% AFUE or Greater	<b>\$350</b>	<b>\$450</b>
Steam Boiler – 82.5% AFUE or Greater	\$150	\$150
Tankless Water Heater – EF 0.82 or Greater	\$150	\$150
Indirect Water Heater – 88% AFUE or Greater	\$150	\$150
Programmable Thermostats*	\$20	\$20

- Customers can apply for the HVAC and water heating rebates online or via mail or email submittals, or they can receive an instant discount from their contractor through PGL and NSG trade allies (TAs).

\* Installation of a programmable thermostat in conjunction with a furnace unit does not qualify for a rebate.

# How is the program designed to meet the goals?



- Residential customers can also receive rebates through the HER program when they complete eligible weatherization (Wx) improvements to their home. These improvements must be installed through approved weatherization trade allies (TAs). Eligible improvements along with the 2020 maximum rebate amounts allowed are listed below.

Weatherization Improvement	2020 Maximum Rebate per Home
Attic Insulation	\$300
Air Sealing	\$400
Wall Insulation	\$400
Duct Sealing	\$500

- Only approved TAs can be used to complete Wx improvements in order to receive rebates. Rebates are issued in the form of an instant discount on qualifying projects to lower the upfront cost to the customer. PGL and NSG provide a list of select Wx trade allies on their website.

# What is the HVAC measure distribution?

Of the HVAC and water heating measures, customers have installed advanced thermostats and high efficiency furnaces more than any other measure in 2019. Smart thermostats also saved the most verified net therms in 2019.

**Boilers currently have low participant counts. If the annual market potential is significantly greater, PGL and NSG should work with contractors to increase participation with this measure.**

Smart Thermostat\*

High Efficiency Furnace

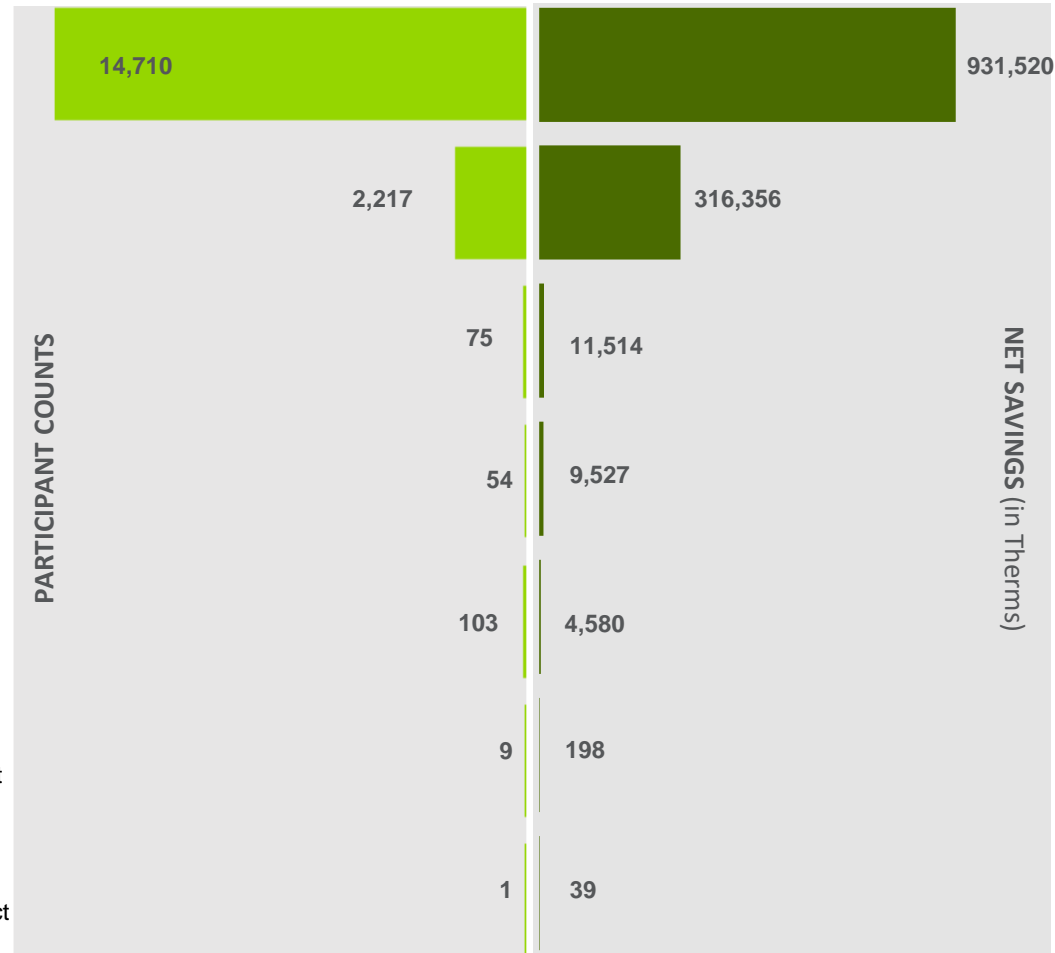
High Efficiency Boiler

High Efficiency Boiler – Two-in-One

Gas Water Heater – Tankless Whole House

Programmable Thermostat

Gas Water Heater - Indirect

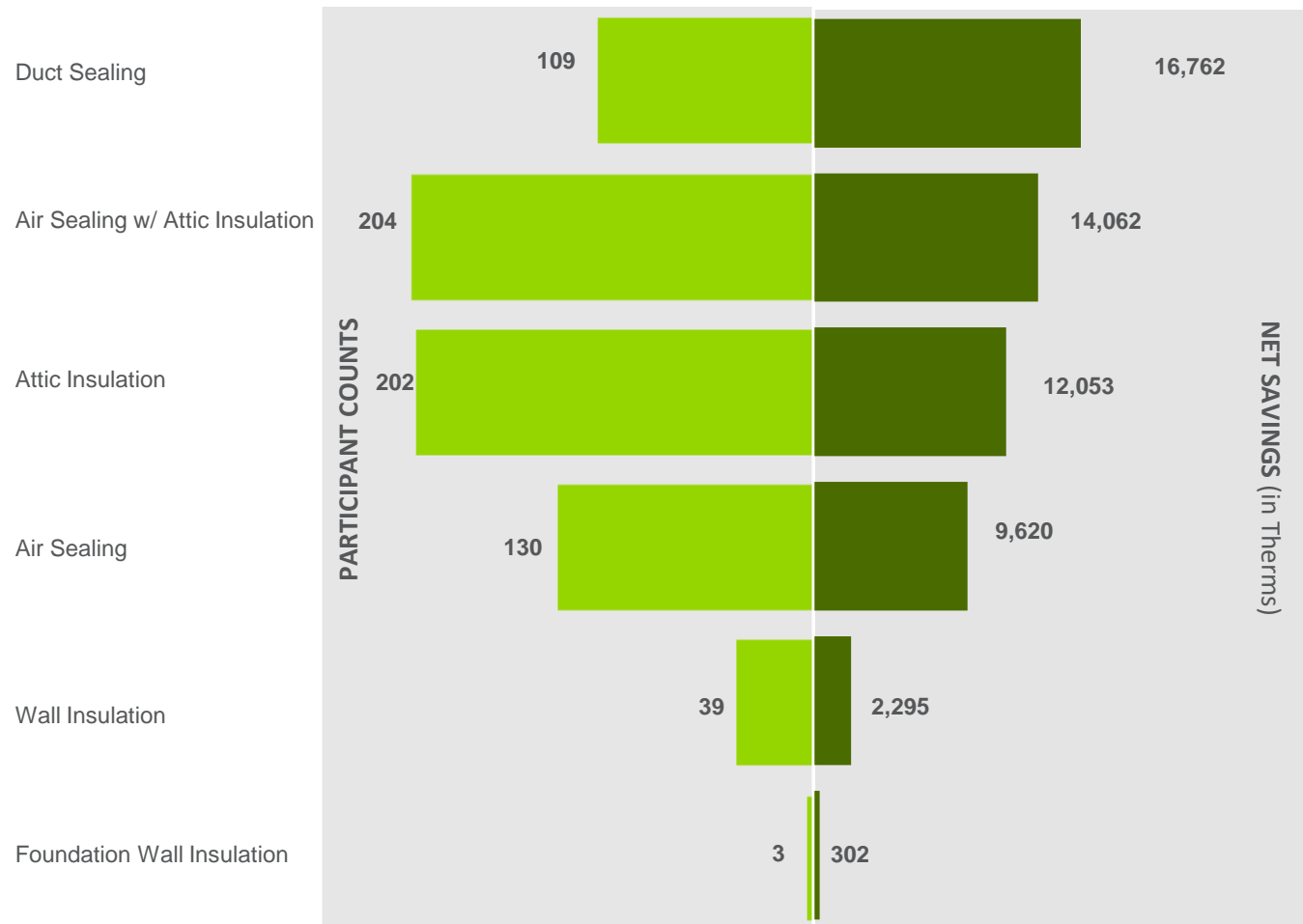


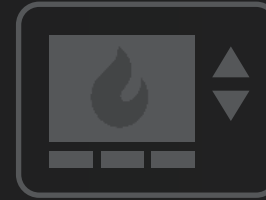
Source: Guidehouse Analysis of CY2019 EOY PGL and NSG Tracking Data. Totals are combined for the two utilities, to be consistent with the survey research design.

\* ComEd processed rebates for advanced thermostats in CY2019 and PGL and NSG reimbursed ComEd for the gas portion (“purchased therms”), removing the need for participants to complete separate rebate applications for gas and electric.

# What is the Wx measure distribution?

Of the weatherization measures, customers did the most activity on attic insulation and air sealing improvements to their home. These measures combined also saved the most verified net therms in 2019.









02

Program  
Changes



# What are the notable program changes made in CY2019 and CY2020?

CY2019	CY2020		
			
<p>Streamlined online HVAC rebate submission process for registered trade allies by reducing required paperwork.</p>	<p>ComEd and PGL and NSG ended joint rebate processing for Smart (Advanced) Thermostats. PGL and NSG initiated their own program, offering a \$20 rebate for qualifying thermostats.</p>	<p>Smart thermostats must meet a PGL and NSG program qualified product list, including ENERGY STAR certified models, to claim higher savings as Advanced thermostats.</p>	<p>Decreased rebate levels for hot water boilers and boilers installed with a DHW two-in-one unit) to help manage portfolio level cost effectiveness</p>

# What are the notable program changes made in CY2019 and CY2020?

CY2020



Attic insulation rebate requirements for qualifying homes changed to allow homes with existing insulation levels of R-14 or below to participate (R-19 required in 2019).



Updated HVAC rebate application so it is now available in Spanish. A Polish version is also in development.

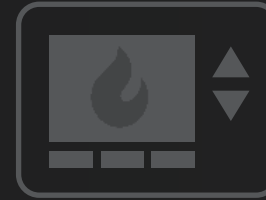


PGL developed multi-touch marketing campaigns including reach back postcards, emails and leveraging Facebook to target zip codes based on customer segmentation data.



No-Touch quality assurance and quality check:

- TAs submit photos with rebate submissions in place of in-person inspections.
- Program will pilot virtual video inspections as part of Wx installations in Q3.



**03**

**Participant  
Survey  
Results**



# Process Evaluation Questions

In CY2020 the evaluation team identified the following key evaluation questions:



How are participants hearing about the program?



How satisfied are participants with the program?



How satisfied are trade allies with the program?



How would trade allies improve the program?

The team answered these questions for the *Heating and Water Heating Equipment* program component by surveying participants and trade allies in May and June 2020.

## Participant Survey details:

**Blackstone Group\*** conducted the telephone survey (100 respondents for spillover and process) while **Guidehouse** conducted the online survey (86 respondents for free ridership and process).

Surveyed customers participated in the program from **October 2018 to December 2019**

## Trade Ally Survey details:

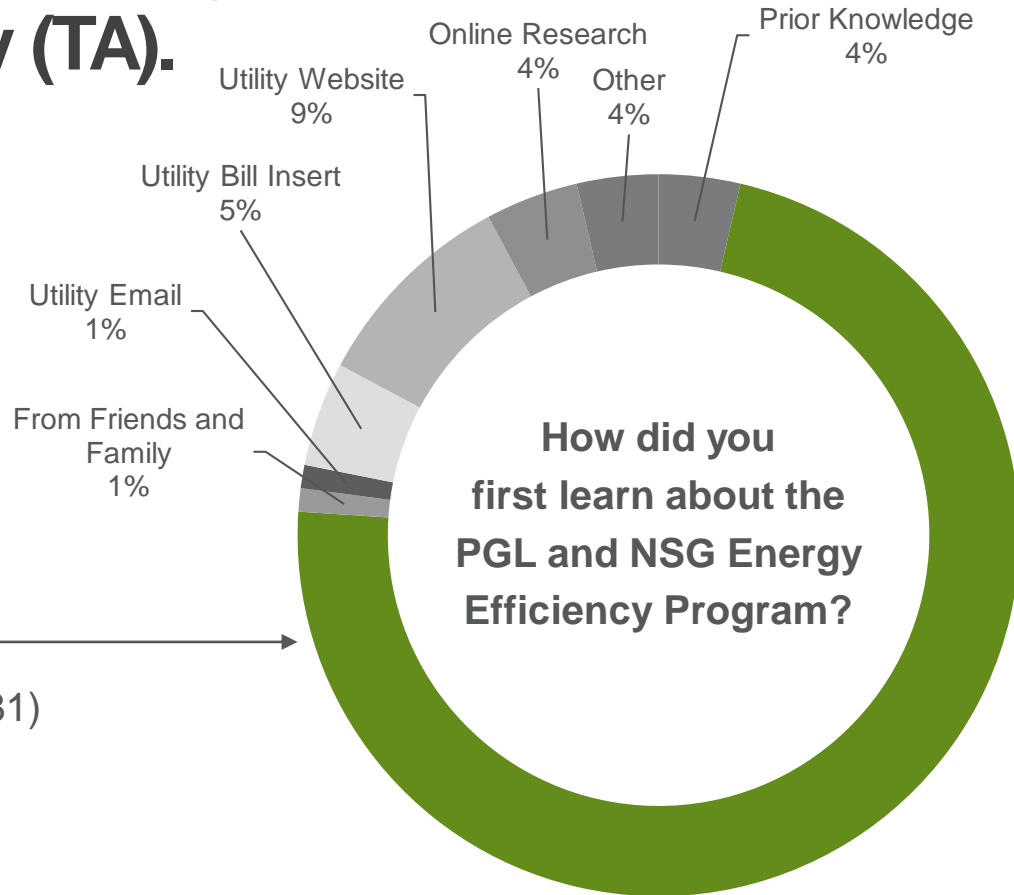
**Blackstone Group** conducted the telephone survey (45 respondents).

Surveyed trade allies participated in the program in CY2018 or CY2019

\* The Blackstone Group is a diverse subcontractor to Guidehouse based in Chicago.

# Participants learned of the program primarily from a Trade Ally (TA).

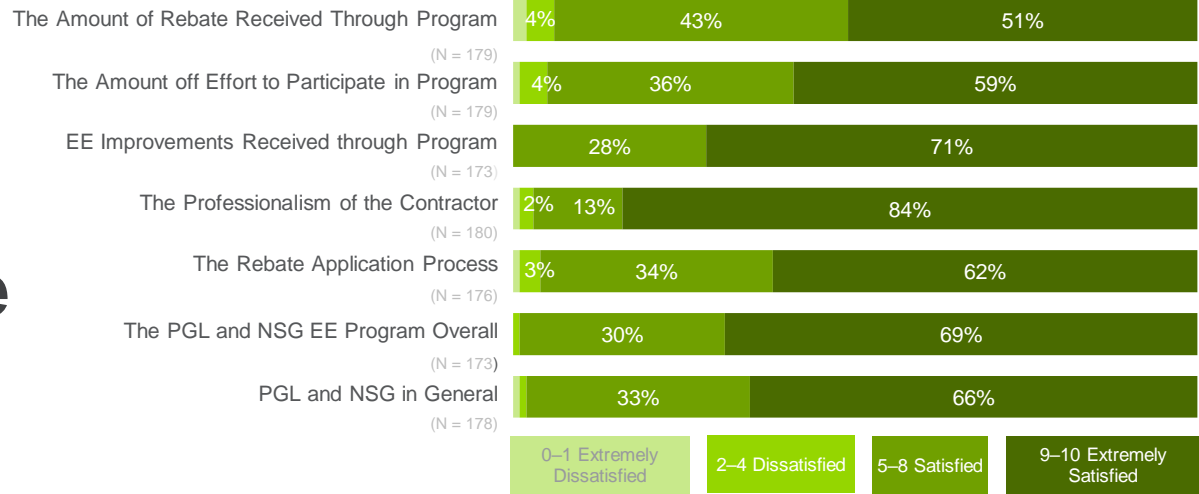
More than ¾ of survey respondents learned about the PGL and NSG HER Program from a trade ally (N=181)



# Survey participants are generally satisfied with the Program.

Eighty-four percent of participants were extremely satisfied (9 or 10 out of 10) with the professionalism of the contractor while 71% were extremely satisfied with the EE improvements received through program. Between ~60% and 69% participants were extremely satisfied with the amount of effort required to participate in the program, the rebate application process, the EE program overall and PGL and NSG in general.

Only 51% of surveyed customers expressed extreme satisfaction with the amount of the rebate received through the program.



\*We did not include labels for bars with percentages less than 2% as to keep the bar chart legible.

## Positive Comments

### PROFESSIONALISM OF THE CONTRACTOR

Examples of open-ended comments for this question include “contractors were knowledgeable, explained what they were doing/installing, did great work and were professional”.

### EE IMPROVEMENTS RECEIVED THROUGH PROGRAM

Examples of open-ended responses include “we were excited about getting better more efficient equipment”, “liked my high efficiency system due to its energy saving properties”

### PGL AND NSG PROGRAM OVERALL

Majority of open-ended responses include “program works very well and is simple, money was immediately deducted from the cost of project, and everything was great with no issues”

## Dissatisfied Comments

### AMOUNT OF THE INSTANT REBATE

Six respondents (out of 20 open-ended responses) said they did not think the rebate they received was sufficient and wanted a higher amount.

### THE REBATE APPLICATION PROCESS

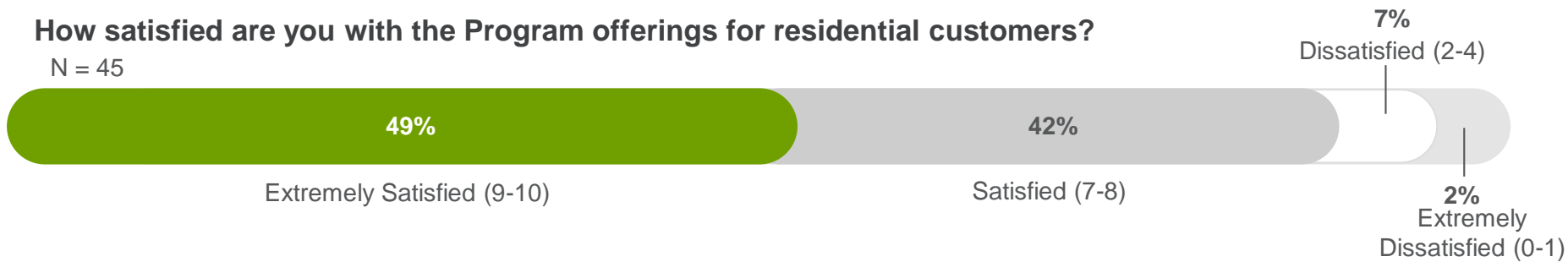
Examples of open-ended responses include “application process is too complicated and we shouldn’t have to mail in all those pieces of paper, we had to reapply 2 or 3 times and resend paperwork in order to receive my rebate, tried to apply online and didn’t work so had to apply through mail”.

# Trade allies are satisfied with the Program offerings.

- Ninety-one percent of trade allies said they are satisfied or extremely satisfied with PGL and NSG EE Program.
- Fifty-two percent of trade allies said they think incentive levels are effective at encouraging customers to install equipment they would not have considered without the Program.

## How satisfied are you with the Program offerings for residential customers?

N = 45



## Are the incentive levels effective at encouraging residential customers to install equipment they would not have considered without Program?

N = 45



# Trade allies say residential customers are satisfied with Program.

- When asked if their residential customers are satisfied with the PGL and NSG EE Program, 96% of trade allies said yes. Participants were happy with the rebate they received, and the participation process was straightforward.
- About 10% of trade allies said residential customers would like to receive higher rebates.

## Are your residential customers satisfied with the Program? Why or why not?

N = 45





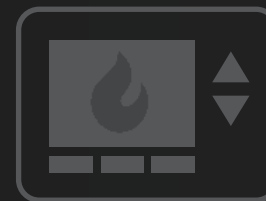
# Half of the TAs would improve the rebate application process if they could change one thing about the Program.

TAs were also asked if they had received any marketing materials from the Program to pass along to their customers and **60% responded “No”** to this question.

- When asked if the trade allies could change one thing about the PGL and NSG EE Program, what would it be, about **50% said they would improve the rebate application process** while 29% said they think the rebate amount could be increased.
- **Nine percent of trade allies would like access to more marketing materials they can show their customers.**
- 11% said they wouldn't change anything about the program.

Improve Rebate Application Process	● 51%
Rebate Amount Should be Increased	● 29%
No Changes Recommended	● 11%
Want Access to More Marketing Materials for Contractors	● 9%

If you could change one thing about the PGL and NSG EE Program, what would it be? (N=45)



# 04

## Findings and Recommendations

# Findings and Recommendations

## FINDING 1

Per the 2019 impact evaluation, boilers had low participation.

## RECOMMENDATION 1

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PGL and NSG could work with contractors to try to increase adoption of high efficiency boilers by increasing marketing efforts surrounding this measure.

## FINDING 2

Over 90% of trade allies said they were satisfied or extremely satisfied with the Program and believe their residential customers are satisfied with the Program.

## FINDING 3

Survey participants are generally satisfied with the Program. Only 51% of surveyed customers expressed extreme satisfaction with the rebate amount they received.

## RECOMMENDATION 2

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PGL and NSG could increase rebate amounts to improve customer satisfaction.

## FINDING 4

Twenty-nine percent trade allies said they would increase rebate amounts if they had to change one thing about the Program.

# Findings and Recommendations

## **FINDING 5**

Fifty-one percent of trade allies said they would improve the rebate application process if they could change one thing about the program (less paperwork/online forms).

## **FINDING 6**

Sixty percent of trade allies said they had never received marketing materials from the Program to pass along to their clients, and nine percent of trade allies said if they could change one thing about the program it would be for them to have access to more marketing materials.

## **RECOMMENDATION 3**

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PGL and NSG could work trade allies to only offer rebates as an instant discount for the Program so participants wouldn't have to go through the rebate application process or follow up regarding long wait times when receiving their rebate check.

## **RECOMMENDATION 4**

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PGL and NSG should make sure trade allies have access to all marketing materials and collateral they need to promote the equipment and improvements offered in this program in order to increase the sale of high efficiency measures.