

Market Position & Business Model – Overview

Description

Key Resources

- [Better Buildings Neighborhood Program Business Models Guide](#) is a resource for those interested in entering, or expanding their services in, the residential energy efficiency market. The guide also aims to enhance understanding of critical market players as organizations identify partners for long-term growth.
- [Better Building Residential Program Implementation Plan Template - Market Position & Business Model](#) will help you design a strategy for developing, operating, and evaluating your business planning activities.

A vibrant residential energy efficiency market provides the benefits of reduced energy use, improved public health and safety, lower energy bills, job opportunities, and a better environment. The first step in entering this market is to define your organization's niche in the market for providing energy efficiency services, also known as your market position. You can then use your established market position to create a viable business model – the overarching administrative and financial structure of the organization – before designing and implementing a residential energy efficiency program.

To position yourself appropriately in the market, you will need to understand the energy efficiency value chain and what it looks like in your market. A value chain highlights all key participants and how they interact to deliver value to customers. It includes the actors with whom you may cooperate or compete with in the marketplace; the products and services these actors provide to customers; and the policies, incentives, and other factors that shape how actors operate in the market.

To understand your market's value chain and the potential for your position in it, you will need to [assess the market](#) to understand:

- Market demand for energy efficiency products and services
- How the market is already being served by other organizations and programs
- Existing gaps in the market that your organization might fill
- Your organization's strengths and capabilities to provide products and services in the market.

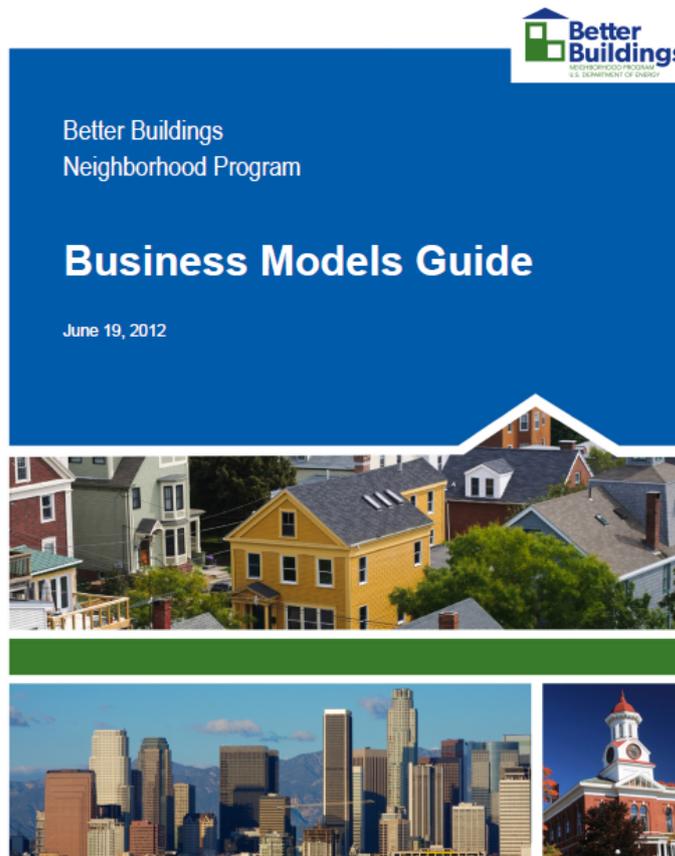
In addition to defining your market position, you will need to understand and address two other key areas that will inform your organization's business model:

- [Define your vision, mission, and goals](#)
 - Your vision, mission, and goals provide the overarching direction for your organization and should form the basis of all strategic and tactical decisions related to your residential energy efficiency program.
- [Identify partners](#)
 - You will need to identify strategic partners, clearly define their roles, and engage them early on to ensure you build common understanding and strong support for your business model.

Once the foundation is in place, you are ready to develop your organizational [business model](#). Although business models have common elements, including service offerings, customer targets, governance structure, and financial structure, they vary widely depending on organization type, revenue sources, and external operating environment.

- For example, an organization can administer an entire program (or multiple, distinct programs) or outsource part or all of program administration functions and operations to private businesses or non-governmental organizations (NGOs).
- Organizations can be funded through utility ratepayer funds, public funds, fees-for-services, or a combination of these and other types of revenue sources.

Your organization's unique mix of business model elements will determine how any given actor will be affected by various financial incentives, regulations, and fluctuations in the market, and will ultimately help you determine whether to move forward with a residential energy efficiency program.



Source: [Better Buildings Neighborhood Program Business Models Guide](#), U.S. Department of Energy, 2012.

If you choose to move ahead, the next step is to develop a [business plan](#) detailing the organizational and financial structures and processes that you need in place to be able to operate in the capacity you choose (i.e., to implement your selected business model). You will also want a plan in place to [regularly evaluate](#) your market position and current operations to determine if any changes are needed in your overall approach or business plan in order to maintain your organization's relevance and long-term viability.

Lastly, there are three pieces of on-going work which you will want to consider to help ensure the success of your organization:

- [Develop resources](#)
 - Developing organizational resources (e.g., management and operational systems) is a key component of meeting your goals and maintaining a strong market position.
- [Assess and improve your processes](#)
 - You can improve the effectiveness of your organization by evaluating and analyzing data sets, which will help diagnose organizational strengths and weaknesses.
- [Communicate your impacts](#)
 - Communicating organization-level impacts is critical to sustaining long-term stakeholder support.

Once your organizational details are solidified, you will be able to better design a sustainable residential energy efficiency program.

These handbooks provide more detail on designing and implementing a cohesive and balanced residential energy efficiency program.

- **Program Design & Customer Experience – Overview**

Design a residential energy efficiency program that integrates marketing and outreach, contractor coordination, incentives, financing, and program evaluation to provide customers with the products and services they want through a customer-centric process.

- **Evaluation & Data Collection – Overview**

Develop evidence-based insights into your program's performance through third-party process and impact evaluations. Learn how to develop effective data collection strategies and timely evaluations to identify important program achievements as well as opportunities for making program improvements.

- **Marketing & Outreach – Overview**

Spur consumer demand for your program's services by understanding your target audience and motivating them to act using effective messaging, marketing and outreach tactics, and attractive program offers.

- **Financing – Overview**

Ensure that your program's customers will have access to affordable financing, so they can pay for the services you offer.

- **Contractor Engagement & Workforce Development – Overview**

Support and partner with the workforce who will deliver your program's energy efficiency services by understanding their capacity, recruiting contractor partners, enabling technical training and business development support, fostering clear communication, and refining program processes over time, in partnership with your workforce.

Stages

The following are important stages for successful program administrators to follow when implementing Market Position & Business Model activities; however, no two programs are the same, and program administrators need to take into account the unique aspects of their market to create the most effective approach possible. Select each stage to access its handbook.

1. **Assess the Market**
Survey existing and potential demand for energy efficiency products and services based on an understanding of policies, housing and energy characteristics, demographics, related initiatives and other market actors.
2. **Set Goals & Objectives**
Establish or update your organizational mission, vision, and goals to encompass energy efficiency programs.
3. **Identify Partners**
Identify and engage organizational partners in your business model design.
4. **Develop a Business Model**
Define your business model, including market position, products and services, type of customers, financial model, governance structure, and the assets and infrastructure your organization needs.
5. **Create a Business Plan**
Create your organization's business plan, which describes how your operational and financial structure will support the delivery of energy efficiency services.
6. **Develop Evaluation Plans**
Develop processes to evaluate your organization's strengths, weaknesses, and market position on a regular basis.
7. **Develop Resources**
Identify and develop needed resources to position your organization in the market and maintain a viable business model.
8. **Assess & Improve Processes**
Develop processes, strategies, and procedures to continuously improve your organization's operations and position in the market.
9. **Communicate Impacts**
Publicize benefits and lessons learned resulting from your organization's success in the market.

Tips for Success

In recent years, hundreds of communities have been working to promote home energy upgrades through programs such as the Better Buildings Neighborhood Program, Home Performance with ENERGY STAR, utility-sponsored programs, and others. The following tips present the top lessons these programs want to share related to this handbook. This list is not exhaustive.

Adapt your business model to fit your external environment

To develop a successful business model, Better Buildings Neighborhood Program partners found it critical to have a strong understanding of the external environment within which they operated. This included who their customers were, who their competitors and partners were, what key policies governed their work, and what trends were likely to impact their ability to accomplish their goals and fulfill their mission. Understanding the external forces that affected their market allowed the organizations to better identify services that met customers' and partners' needs and develop a more robust business model. Many organizations adapted their business model to overcome challenges and leverage opportunities as local conditions and their understanding of how their business operated within the market evolved.

- When the [New Hampshire Better Buildings program](#) began, there were numerous energy efficiency programs operating independently in the state (e.g., by multiple utilities), and only informal coordination among activities was occurring. Customers were often overwhelmed trying to determine which programs they qualified for, how to fill out all the required paperwork, and which contractors they were able to work with. The program quickly learned that their business model needed to be well-integrated with other energy efficiency programs in the state, in order to provide value to customers and contractors while enabling long term growth for the efficiency market.

In response, the program took a collaborative approach to their business model design and partnered with the utilities' rate-payer funded Home Performance with ENERGY STAR (HPwES) program. Combining programs leveraged the utility programs' existing queue of upgrade projects, procedure for assessments and upgrades, and database for collecting information about each project. A single program and process also made the most sense for residential customers, who were more likely to move forward with a project if they did not have multiple programs and processes to figure out. The utility companies benefitted from the partnership because the additional funds from Better Buildings allowed them to expand their program's reach. Combining efforts and utilizing each program's strengths led to consistent marketing and messaging, more efficient processes for contractors, one-stop shopping for customers, and a streamlined approach to financing.

- The [Neighbor to Neighbor Energy Challenge's](#) (N2N) original program design used community-based social marketing (CBSM) to acquire and feed leads into the existing ratepayer funded Home Energy Solutions (HES) assessment program. N2N expected that contractors would convince customers to take advantage of rebate programs to complete home energy upgrades; however, over the first two years of the program, they saw many of the leads they generated stall after the assessments. N2N realized that they had limited influence over the contractor network with this approach and that the HES program design did not incent contractors and customers to complete upgrades. They shifted their business model and focused marketing and outreach resources on new strategies, such as direct lead acquisition, in order to acquire customers who were more likely to proceed straight to completing upgrades.

Consider a diversity of funding and revenue sources and make selections based on local opportunities when planning for long-term program sustainability

In order to craft a sustainable financial model, organizations need to identify long-term sustainable revenue sources. As with the Better Buildings Neighborhood Program, grant funding can be a great way to get an effort off the ground; however, grant funding does run out, leaving the need to secure alternate revenue sources. Many Better Buildings Neighborhood Program partners overcame this challenge by aligning revenue opportunities with gaps or untapped potential for business in their local market. In some cases, several years were needed to gain trust and demonstrate results before funding was secured, so the sooner you begin considering options, the better the chances are of finding and securing one that is viable. Consider a wide range of options and pursue those opportunities that best match what your organization and local market have to offer. See a detailed list of potential funding sources in the [Market Position - Develop a Business Model handbook](#).

- In 2010, St. Lucie County in Florida was awarded an Energy Efficiency and Conservation Block Grant and created the [Solar and Energy Loan Fund](#) (SELF), expecting that property assessed clean energy loans (PACE) would be an integral part of the residential loan structure. When Freddie Mac and Fannie Mae challenged the residential PACE system nationwide, SELF shifted direction. They evolved through a multi-year process into a certified community development financial institution (CDFI) focused on energy efficiency and renewable energy upgrades for the residential sector. They targeted low and moderate income populations that had been especially affected in Florida by the economic crisis in 2009.

- The change meant that SELF no longer had access to capital from investors seeking highly secured and profitable investments through PACE; however, becoming a CDFI allowed SELF to diversify its products and receive new types of support in the form of grants for technical assistance and loan capital. By becoming a certified CDFI, SELF was able to attract capital from banks as Community Reinvestment Act (CRA) investments and establish legitimacy in the eyes of other socially responsible investors. For example, in the last year of operating under the Better Buildings grant, SELF contacted faith-based foundations that seek to make socially responsible community investments. Over the year and a half after the Better Buildings grant, SELF raised an additional \$835,000 from 5 different religious organizations.
- Under their business model, SELF faced some challenges limiting their ability to attract capital. For example, even though they implemented new policies to have Uniform Commercial Codes and a more strict collections process, capital providers are still wary of the fact they provide “unsecured” loans. Nevertheless, SELF’s portfolio results of less than 1% default and less than 3% delinquency helped prove that they had a good evaluation method and their risk management procedures were effective. The new CDFI business model allowed SELF to become self-sufficient by providing a platform to offer financial and non-financial services that could generate diversified revenue streams. These revenue sources include interest and fees earned on their investments; fees from off balance sheet portfolios such as commercial PACE; and fees from partnering with other financial institutions to sell their financial product and other activities such as contractor training.

Develop partnerships based on an alignment of goals, strong collaboration, and consistent communication

Programs that have developed strong and lasting partnerships have done so by identifying shared goals and seeking ways in which programs and partners can mutually benefit by advancing each other’s missions. Even if partners don’t have the same goals as your program, you can still try to find ways to work together that improve the success of both efforts. Several programs have established forums for regular communication with partners, such as a steering committee or stakeholder group that meets monthly or quarterly, to maintain collaboration and communication. Informal events—such as engaging with partners after hours in a social setting—have proven to be successful at building trust and camaraderie. One key lesson from programs that have established robust partnerships: remember that partnership development often takes more time than planned.

- The [Better Buildings Program San Jose](#) leveraged local, well-known organizations that delivered non-energy services to low-income residents to help the program reach interested homeowners. Most Holy Trinity Catholic Church and the local Boys and Girls Clubhouse offered the program space for events where they could meet with homeowners, teach them more about the program, and schedule home energy assessments. To help low-income residents cover the cost of home energy evaluations and upgrades, the program also created a partnership with Pacific Gas and Electric’s Moderate Income Direct Install program (which offered free home energy assessments and weatherization services to income-qualified residents) to allow all program customers into the utility’s program. To learn more about the Better Buildings Program in San Jose, see the case study [“San Jose, California, Partners with Established Community Groups to Win over Homeowners”](#).
- Early in its program, [EnergyWorks](#) in Philadelphia established a partnership with its local gas utility, Philadelphia Gas Works (PGW), to share lessons learned and customer information, including sharing energy use data once customers authorized its release. This partnership helped PGW enhance its own energy efficiency programs by applying the knowledge learned about home energy upgrades from EnergyWorks. The partnership also provided PGW customers with access to EnergyWorks’ loan program. For EnergyWorks, the partnership gave it access to PGW customers for marketing. Learn more about the partnership from the case study [“In the City of Brotherly Love, Sharing Know-How Leads to Sustainability”](#). EnergyWorks found that by the end of their Better Buildings Neighborhood Program grant period, they had identified a successful formula of marketing, outreach, and contractor interface. They wanted their lessons learned to be useful in the future continued working with the city-owned utility, Philadelphia Gas Works (PGW) to develop a new [utility-run energy efficiency program](#). This program built off and mirrored the design of the EnergyWorks program by incentivizing comprehensive, whole-home residential energy efficiency projects. EnergyWorks’ role changed to providing training and acting as a general contractor, which gave it more flexibility. PGW was able to provide bigger incentives than EnergyWorks could. In addition, PGW benefited from increased customer satisfaction by offering the program, so the program evolution and partnership was a win-win for everyone involved. For more information, see the U.S. Department of Energy’s [Focus Series Interview with Philadelphia Energy Works](#).

- [Michigan Saves](#), formerly BetterBuildings for Michigan, established a partnership with Grand Valley State University (GVSU) to take the program's community-based approach to a new type of community—university staff—through a semester-long, employer-assisted initiative. The program found that the sustainability staff members at GVSU were interested in the program, and program staff described a “sustainability ethic ingrained in the school's culture.” GVSU employees were receptive to the energy efficiency message. University leadership joined in as well, with the provost's office and university president writing letters to staff in support of the program. The school's human resources department helped the program develop a database to manage services to employees. As a result of the program, 215 people working for GVSU (nearly 10% of total employees) signed up for the program. By going through the university, these sign-ups cost one-fourth to one-third of the program's normal marketing cost per person. Sixty percent of the homeowners who participated in the GVSU program undertook home upgrades, which was higher than Michigan Saves' average rate of 44%. To learn more about the effort, see the interview with program leads: [“It's Academic: BetterBuildings for Michigan Partners With University to Reach Employees”](#).

Examples

The following resources are examples from individual residential energy efficiency programs, which include case studies, program presentations and reports, and program materials. The U.S. Department of Energy does not endorse these materials.

Case Studies

[A Business Case for Home Performance Contracting \(9 MB\)](#)

Author: Pacific Northwest National Laboratory

Publication Date: 2012

This report contains information on the market for home performance upgrades and the opportunities that exist for new home performance contractors; start-up needs and costs for firms entering the home performance contracting industry; home performance business approaches; and how established home performance contractors attract customers. It also contains detailed profiles of eight successful home performance firms across the United States.

Program Presentations & Reports

[RePower Considers Business Model Options](#)

Author: RePower Bainbridge

Publication Date: 2012

The RePower programs in Washington State convened local community leaders, organizations, contractors, and program partners for a planning summit to consider the benefits and challenges of different business models for the post-grant period. Participants considered four models: non-profit organization, utility, county or city government, and private sector.

[Turning Around Your Residential Program: Lessons Learned - City and County of Denver](#)

Author: Elizabeth Babcock, City and County of Denver, Colorado

Publication Date: 2012

This presentation highlights key plan elements that helped a Denver energy efficiency program reorient toward success.

[Better Buildings Pro Forma: Local Energy Alliance Program--Virginia](#)

Author: Local Energy Alliance Program

Publication Date: 2012

This presentation explains the pro forma spreadsheet used by Virginia's Local Energy Alliance Program to evaluate program impact.

[Transitioning to a Utility Funded Program Environment: What Do I Need To Know?](#)

Author: U.S. Department of Energy

Publication Date: 2013

Presentation that provides insights from a utility executive on how energy efficiency programs can effectively partner with utilities.

[Get Helpful Tips for Collecting Utility Data \(348 KB\)](#)

Author: U.S. Department of Energy

Publication Date: 2012

A list of tips from Connecticut's Neighbor to Neighbor Energy Challenge for working with utilities to access energy usage data.

Program Materials

[Business Plan Example - Catering for Kids Business Plan \(1 MB\)](#)

Author: Bplans

Publication Date: 2011

Example business plan to serve as an illustration of a functional and realistic business plan.

Greater Cincinnati Energy Alliance: Strategic Plan (349 KB)

Author: Greater Cincinnati Energy Alliance

Publication Date: 2011

This strategic plan describes the goals, objectives, market, and business model for the Greater Cincinnati Energy Alliance's energy efficiency program and service offerings.

Toolbox

The following resources are available to help design, implement, and evaluate possible activities related to this handbook. These resources include templates and forms, as well as tools and calculators. The U.S. Department of Energy does not endorse these materials.

Templates & Forms

[Better Building Residential Program Implementation Plan Template - Market Position & Business Model](#) (2 MB)

Author: U.S. Department of Energy

Publication Date: 2015

The Market Position & Business Model Implementation Plan Template will help you develop a strategy for planning, operating, and evaluating your business planning activities.

[Business Model Worksheet](#) (248 KB)

Author: U.S. Department of Energy

Publication Date: 2011

Worksheet for program administrators to map out their programs' business model framework.

[Sample Business Plan Framework: Not-for-Profit \(NGO\) Entity](#) (237 KB)

Author: U.S. Department of Energy

Publication Date: 2011

Sample business plan framework for a program seeking to operate as a not-for-profit entity.

[Sample Business Plan Framework: Building Private Sector Capacity](#) (270 KB)

Author: U.S. Department of Energy

Publication Date: 2011

Sample business plan framework for a program seeking to build private sector capacity then phase out and stop operating.

[Sample Business Plan Framework: Marketing Contractor to a Utility](#) (227 KB)

Author: U.S. Department of Energy

Publication Date: 2011

Sample business plan framework for a program seeking to operate as a marketing contractor to a utility.

[Sample Business Plan Framework: Government Entity Operating Using a Fee-Based Structure](#) (256 KB)

Author: U.S. Department of Energy

Publication Date: 2011

Sample business plan framework for a program that establishes itself as a government entity, then operates using a fee-based structure.

Tools & Calculators

[The Partnership Evaluation Framework: How to Evaluate a Potential Partner's Business Model and Identify Areas for Collaboration](#) (89 KB)

Author: U.S. Department of Energy

Publication Date: 2011

Table showing business model frameworks, their relevance, key metrics, and questions for consideration.

[Pro Forma Resources: Draft Contractor Pro Forma Tool](#) (1023 KB)

Author: National Home Performance Council

Publication Date: 2012

Tool to evaluate contractor impacts on program revenue.

MPower Toolkit

Author: Green For All

Publication Date: 2013

The MPower Toolkit provides templates, resources, and lessons learned to address the barriers faced by the affordable multifamily housing sector when accessing energy efficiency upgrades. The toolkit is also intended for all stakeholders involved in efficiency programs, including efficiency program administrators, state and local leaders, utilities, energy consultants, and financial partners. MPower's core model is useful for all building types. In addition, the toolkit's chapters are broken out into segments that highlight information and innovations that many efficiency programs are incorporating into their own models. The toolkit is a resource for all practitioners involved in implementing MPower and also serves to assist practitioners of other established efficiency programs. The MPower Toolkit draws from the experience of MPower Oregon, although it differentiates between the core MPower model and how MPower Oregon implemented this model.

Small Town Energy Program (STEP) Toolkit

Author: Small Town Energy Program

Publication Date: 2013

The Small Town Energy Program (STEP) toolkit gives a complete overview of STEP from planning to implementation. It also includes access to a wide variety of materials developed by the program, including: local asset materials, partner materials, personnel materials, program administrative materials, outreach materials, and surveys. STEP has posted these toolkit documents with the hope that it will assist other small towns and communities in building and running more energy efficiency programs.

Topical Resources

The following resources provide additional topical information related to this handbook, which include presentations, publications, and webcasts. Visit [Examples](#) for materials from and about individual programs.

Topical Presentations

[Business Models 101 - Terminology and Basic Concepts](#)

Author: U.S. Department of Energy

Publication Date: 2011

Presentation aimed at program administrators summarizing business model elements and their usage (i.e., governance, financial structure, assets & infrastructure, and customers).

[Overview of Business Planning and Business Models](#)

Author: U.S. Department of Energy

Publication Date: 2011

This presentation is aimed at program administrators and describes business planning concepts such as program mission, vision, and goals.

[Understanding Costs and Revenues](#)

Author: Glenn Barnes, Environmental Finance Center at The University of North Carolina at Chapel Hill

Publication Date: 2011

Presentation aimed at program administrators that highlights the elements of an income statement, methods for forecasting costs and revenues, the importance of performance measurement, and potential revenue streams.

Publications

[Better Buildings Neighborhood Program Business Models Guide](#)

Author: U.S. Department of Energy

Publication Date: 2012

This report serves as a resource for program administrators and building contractors who are or may be interested in starting or expanding their services into the residential energy efficiency market.

[Residential Retrofit Program Design Guide](#)

Author: Oak Ridge National Laboratory

Publication Date: 2011

The Residential Retrofit Program Design Guide focuses on the key elements and design characteristics of building and maintaining a successful residential energy upgrade program. The material is presented as a guide for program design and planning from start to finish, laid out in chronological order of program development.

[The Future of Utility Customer-Funded Energy Efficiency Programs in the United States: Projected Spending and Savings to 2025](#)

Author: Lawrence Berkeley National Laboratory

Publication Date: 2013

This report develops projections of future spending on, and savings from, energy efficiency programs funded by electric and gas utility customers under three scenarios through 2025.

[Partnering with Utilities and Other Ratepayer-Funded Energy Efficiency Program Administrators](#)

Author: U.S. Department of Energy

Publication Date: 2013

The objective of this document is to help state and local governments understand the role of program administrators (PAs) and assist them in developing successful partnerships with utility and other energy efficiency PAs. The majority of this paper presents information on partnering and leveraging current energy efficiency activities. However, it also includes information for governments in areas without active PAs, as well as an appendix with a case study describing how state and local governments can fill gaps and administer programs in the absence of a PA.

[Powering the New Energy Future from the Ground Up: Profiles in City-Led Clean Energy Innovation](#)

Author: Climate Solutions

Publication Date: 2012

This report profiles the early results of a diverse range of small- to medium-sized American cities with different economic and energy profiles that are pioneering the clean energy economy. Many communities used federal grants to jumpstart long-term strategies to test and refine various clean energy and energy efficiency solutions. Others developed innovative financing strategies in the absence of grant money. These city-led efforts to catalyze local clean energy economic development are important to watch as federal grants sunset, especially in the absence of a comprehensive national energy or climate policy.

Webcasts

Part I: Getting Started: Answering Big Picture Funding Questions

[Presentation 1](#), [Presentation 2](#), [Presentation 3](#), [Presentation 4](#), [Transcript](#)

Author: Neelam Patel, U.S. Environmental Protection Agency; Pat McGuckin, The Cadmus Group, Inc.; Richard Dooley, Arlington County, Virginia; Shawn Collins, Opportunity Council; Alex Ramel, Sustainable Connections

Publication Date: 2012

This webcast (Part I of a three-part series) covers the big picture questions that local governments should consider for funding clean energy programs. What resources are available? What are the program priorities? How can these programs pay for themselves? What funding is available? The webinar guides local governments through these and other questions in the context of their own unique circumstances and illustrates the concepts through case studies that explore how local governments have used both conventional and unconventional methods to gain support, line up partners, and design and implement their funding programs.

Part II: Getting it Funded: Finding Funding for your Clean Energy Programs

[Presentation 1](#), [Presentation 2](#), [Presentation 3](#), [Presentation 4](#), [Presentation 5](#), [Transcript](#)

Author: Neelam Patel, U.S. Environmental Protection Agency; Pat McGuckin, The Cadmus Group, Inc.; Marvin Lee, School District of Philadelphia, Pennsylvania; Nate Boyd, City of Orlando, Florida

Publication Date: 2012

This webcast (Part II of a three-part series) discusses how climate and clean energy programs can find funding.

Part III: Keeping it Going: Financing Options for your Clean Energy Programs

[Presentation 1](#), [Presentation 2](#), [Presentation 3](#), [Presentation 4](#), [Presentation 5](#), [Presentation 6](#), [Transcript](#)

Author: Neelam Patel, U.S. Environmental Protection Agency; Pat McGuckin, The Cadmus Group, Inc.; Niko Dietsch, U.S. Environmental Protection Agency; Keith Canfield, Clinton Climate Initiative; James Christensen and Yvette Rincon, City of Sacramento, California

Publication Date: 2012

This webcast (Part III of a three-part series) covers how to choose and implement financing options that meet local needs.

Exploring Opportunities for Energy Efficiency as a Revenue Stream in the Forward Capacity Markets

[Presentation \(2 MB\)](#), [Media](#), [Transcript](#)

Author: Terri Esterly, PJM Capacity Market Operations; Doug Hurley, Synapse Energy Economics Inc.

Publication Date: 2012

Webcast on utility forward capacity markets and how energy efficiency programs may access these markets as a potential source of revenues.

Partnering with Utilities Part 1 -- Successful Partnerships and Lessons from the Field

[Presentation](#), [Media \(68 MB\)](#), [Transcript](#)

Author: Jennifer Clymer, ICF International; Philip LaMay, Allegheny County, Pennsylvania; Christian Williss, Denver, Colorado; Sharon Procopio, Denver, Colorado

Publication Date: 2011

This webcast served as a roundtable for communities to describe successful partnerships between local governments and utilities that enabled the local governments to implement new clean energy programs or enhance existing ones.

Partnering with Utilities Part 2-Topics for Local Governments-Creating Successful Partnerships with Utilities to Deliver Energy Efficiency Programs

[Presentation](#), [Media](#) (65 MB), [Transcript](#)

Author: Jennifer Clymer, ICF International; Neal De Snoo, Berkeley, California; Dan Schoenholz, Fremont, California; Catherine Squire and Gina Blus, Pacific Gas and Electric Company; Jon Ippel, Orlando, Florida; Cameron Saulsby, Orlando Utilities Commission

Publication Date: 2011

This webcast focused on advanced topics for local government-utility partnerships, with presentations from local governments and their partnering utilities that have well-developed, multi-year relationships and programs.

Quick Links

[View All Market Position & Business Model Content](#)

The following list provides access to resources with more information on these key topics. Selecting a key topic will return a list of resources related to that topic. If you have suggestions for additional key topics, [please tell us](#).

- **Business Models for Providing Energy Efficiency Services**

Every organization or business has a particular set of motivations and revenue generating opportunities that comprise their business model. Typical business models for providing energy efficiency products and services have been documented for utility and non-utility program administrators, remodelers, HVAC (heating, ventilation, and air conditioning) contractors, home performance contractors, home inspectors, utilities, energy service companies, retailers, and others.

- **Cost-Effectiveness Tests**

Cost-effectiveness tests compare the benefits of a utility or non-utility program's investment in energy efficiency with its associated costs. The five most common tests used by public utility commissions are: the participant cost test (PCT), the utility/program administrator cost test (PACT), the ratepayer impact measure test (RIM), the total resource cost test (TRC), and the societal cost test (SCT).

- **Non-Energy Benefits**

Energy efficiency programs provide identifiable benefits beyond energy savings, such as job creation, economic development, avoided emissions, and water savings. Quantifying these non-energy benefits may help program administrators demonstrate progress toward stated program and/or policy goals, or increase general awareness and support for program activities.

- **Policies and Regulations Impacting Energy Efficiency Programs**

Policies and regulations, such as energy efficiency targets, utility cost-effectiveness tests, financial regulations, and others, influence how your organization provides energy efficiency services.

- **Revenue Streams**

Funding for organizational and program activities can come from a variety of sources including, but not limited to, ratepayer funds collected by utilities, grants (federal, state, foundation, etc.), and income from services provided to program participants or contractors. In many cases, individual revenue streams will have specific requirements on how the funding may be spent as well as specific reporting requirements.

- **Working with Utilities**

Public, private, and non-profit organizations often seek to work in partnership with investor-owned and municipal utilities to provide energy efficiency services. Utilities may already be offering energy efficiency services that other organizations can enhance or promote, and utilities typically have access to energy consumption data that helps track program success.

