

# Should Large Customers Stay or Should They Go?

*A Solution to the Opt-Out Dilemma*

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**Presented at the 2017 ACEEE National Conference on Energy Efficiency as a Resource**



# Serving Large C&I Customers

## Should I stay or should I go?

- **The Question:** *Opt-in vs. Opt-out*



### Two Utility Customers – both:

- Seek to install energy efficient equipment and processes
- Seek to offset a portion of costs of equipment purchases



### Customer Opt-In

- **Pays** utility surcharge to participate in utility-run EE incentive programs
- Contacts utility to access existing EE program; applies for incentives
- Installs equipment, receives rebates to offset purchase/installation costs

### Customer Opt-Out

- Does **NOT** pay utility surcharge; is **NOT** eligible to participate in utility-run EE incentive programs
- **Must** develop own EE plan
- Uses funds not spent on surcharge to offset costs of project

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## Should I stay or should I go?

- **The Reality**



- **The Ideal Situation**



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## Large Customer Challenges



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## Should I stay or should I go?

- **The Challenge:**

- How do you influence Customer **Opt-Out** to opt in?



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## Addressing Large Customer Challenges

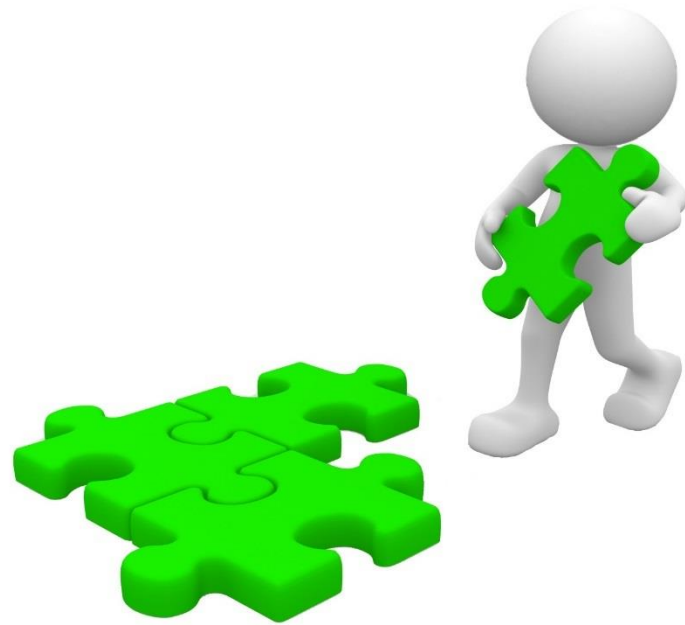


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## Should I stay or should I go?

- **The Solutions:**
  - Show the value of opting-in to the customer



# Serving Large C&I Customers

## Large Customer Management

- Designed to help Customers complete large projects
- Giving Customers a reason to opt in





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## Large Customer Management

- Designed to foster relationships, not transactions
- Communications-based



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## Comprehensive Project Management Tool

Partnership Contact	Plant	DTE Project #	Project Name	Project Description	Initial Calculated Incentive	Revised Incentive (Max \$250k/elec proj)	kWh/Mcf Savings
John Smith	A	DTE-17-55555	Battery Project	Efficient Battery Upgrade	\$ 44,769	\$ 44,769	721,430

kWh/Mcf Savings	Status	plans to complete in 2017 (% probab)	Status	Expected Completion Date	Reserve Final Date	Comments
721,430	Reserved	90%	Work in Process	11/30/2017	11/30/2017	Contact customer on 10/1 for updates.

Facility - Contact	Lead/App #	Projects	Probability	Incentive
PLANT B - Kyla Watts	11701	Exterior LED lighting	35%	\$125,000.00
	11906	Interior lighting	99%	\$15,000.00

Incentive	Notes	Updates
\$125,000.00	Plant is in the process of getting funding approved	Most likely 2018 incentive
\$15,000.00	Will likely take place during winter shut down	Powerhouse, various areas included

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## A Case Study – addressing customer perceptions

- Cost-benefit analysis:

ISSUE	OPT-OUT	OPT-IN
Surcharge	Zero \$ outlay	<b>Incremental</b> increase on monthly energy bill
Capital investment for EE	Must fully fund investment	Must fund <b>initial</b> investment
Utility program participation	Time-consuming paperwork, approval and review process	<b>Program team assistance</b> throughout the application and review process
Utility incentives	<b>No</b> incentives to help defray capital investment	<b>Substantial incentives</b> to help defray capital investment
Payback (ROI)	Full payback period	<b>Shortened payback period</b>
Energy Efficiency	Achieved	Achieved

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## Increased Service = results

- Improved communications
- Improved participation



# Serving Large C&I Customers

## Increased Service = results

### ■ A Team Effort

- Emphasis on personal attention
- Emphasis on ease of process
- Clear understanding/acceptance of timelines, expectations
  - M&V, inspections, etc.
- Clear understanding of value of EE and incentives
- Creation of EE teams by customers to increase participation

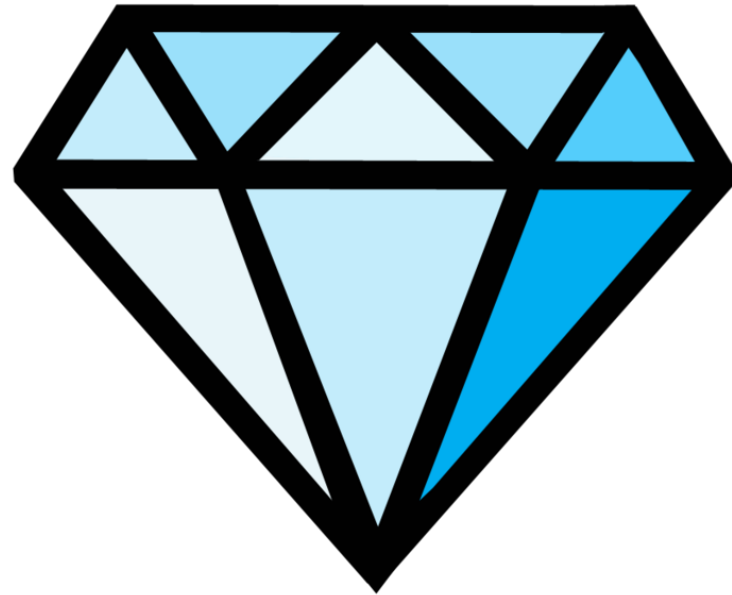


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## Hidden Gems

- **Forecasting**
- **Carry Over**
- **Relationships**
- **Opportunities**



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### Customers Opting-In

- **BOTH** pay state surcharge to participate in utility-run EE incentive programs
- **Both** work with utility program implementer to access program and apply for incentives
- **Both** install equipment, receive rebates to offset purchase/installation costs and reduce ROI



# Questions



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