

Blue Sky Focus Group Research

Background on Blue Sky Program

The Blue Sky Block program was launched in April 2000 as a voluntary, customer-supported, renewable energy option. The program currently provides customers across the company's six state service area an easy way to purchase renewable energy in fixed monthly increments of 100-kilowatt-hour blocks and support community-based renewable energy projects. The program provides customers the opportunity to buy and support 100 percent renewable energy and foster renewable energy development. This option provides customers a mechanism to reduce their environmental footprint, help grow a sustainable energy future and support the development of small-scale renewable energy projects.

Today, more than 38,000 customers participate in the program's Block option across the six states. In Utah, nearly 24,000 residential customers participate along with more than 550 business customers. Three percent of Rocky Mountain Power customers served in Utah are currently enrolled in the program based on our last quarterly community participation report created in October 2008.

The Blue Sky program is nationally recognized. Across the company's six state service area, more than 64,000 customers participate in the Blue Sky program. In 2007, the program achieved the honor of being recognized as the Green Power Program of the Year by the U.S. Environmental Protection Agency and the U.S. Department of Energy. Also, in 2007 the program was ranked third in the nation on the number of customers buying renewable power, and for renewable power sales volume by the U.S. Department of Energy's National Renewable Energy Laboratory. The company has ranked in the top five in these two categories for the past several years. The program is Green-e Energy Certified, which means the renewable energy supported meets the rigorous national environmental and consumer-protection standards established by the nonprofit Center for Resource Solutions.

Research Methodology

Davis, Hibbitts & Midghall, Inc., an independent Portland based opinion research and consultation firm, facilitated 12 focus groups among business and residential customers in Oregon, Washington, and Utah. The focus groups were structured to learn more about awareness of the Blue Sky program, reasons for customers enrolling or choosing not to, program design, communications, and marketing approaches. Altogether, 85 people participated, with three groups each in Bend, Walla Walla, Ogden, and Salt Lake City. The following table shows the composition of the focus groups and their locations.

Focus Group Membership and Location					
	Date	Business Enrollees	Residential Enrollees	Business Non-enrollees	Residential Non-enrollees
Walla Walla	April 14		8	7	6
Bend	April 16	9	9		6
Ogden	April 21		9	2	7
Salt Lake City	April 23	8	9		5
Total		17	35	9	24

Focus group research is not designed to measure with statistical reliability the views of a particular group, but it does offer valuable insight into the attitudes and opinions of the populations from which the samples derive.

Key Research Findings

Demographics. The discussions illustrated a fairly clear divide between: 1) progressive customers attuned to environmental issues and the need for local action and 2) a more conservative population skeptical of the environmental movement. Blue Sky customers tended to come from the former group, while business non-enrollees came across as the most skeptical and cost-conscious group.

Motivations for Enrollment. Many factors played a role in decisions of both residential and business participants to enroll in Blue Sky. Three broad categories of motivation emerged:

- Obligation or desire to preserve the environment
- Short and long term financial benefits
- Movement toward energy independence

The most influential motivating factor was, by far, preserving the environment. Participants expressed this as “reducing fossil fuels,” creating “a cleaner, greener option for electricity,” “lessening my carbon footprint” and “making a better future.” Focus group participants gave both moral and practical reasons for wanting to preserve the environment. Comments such as a desire “to live more simply with a smaller impact” and to “bequeath a healthy world on our children” were given as motivating factors.

Financial motivations were given in both short term perspectives, such as public relations value for businesses, and long term in the hope that renewable energy will become cheaper over time.

A third, somewhat political form of motivation also mattered to participants, who hoped the US would become energy-independent through innovative development of renewable resources. In the words of one participant, “energy resources are a concern of national security.”

Barriers to Enrollment. Insufficient understanding of the Blue Sky program was the most common reason cited by both business and residential customers for not enrolling. Most non-participants had never heard of the program—especially true in Walla Walla Washington where we found 10 non-participants out of 13 had not heard of the program. Others may have heard of

the program, or thought they had, but could not accurately say what it was. Still others with a rudimentary understanding felt they needed to know more about the program before signing up. After lack of awareness, the next most frequently cited reason not to enroll was cost. This was particularly true of business customers, which seemed more inclined than their residential counterparts to perform cost-benefit analyses. Estimates of participation cost ranged from \$2-5 a month or an increase of 5-10% over their regular monthly bill. Once non-customers learned they could enroll for as little as \$1.95 per month, financial considerations lost importance as an impediment to program participation to all but a very few.

Sources of Blue Sky Awareness. Business customers have become aware of the Blue Sky program in a variety of ways, including enrollment at home, word of mouth, presence in the community (e.g., booths at local events), and bill inserts. A Bend business customer said, “It came from all different directions, you saw it in booths, you saw it in the mail, you saw other businesses putting up their stickers.” At least one business customer heard about it through church, and others through bill inserts or other marketing materials that came in the mail.

Residential customers reported similar experiences. Along with mailings (both included in and separate from the bill), word of mouth through friends and family members (especially children) appeared to be the primary source. Information booths placed in the community at places such as the Bend Oregon Earth Day fair, showings of Al Gore’s *An Inconvenient Truth* and grocery stores were also points of program awareness. Participants also cited radio, TV, and newspaper ads occasionally, but just as often pointed out how little a presence the Blue Sky program had in those venues.

Desire for Information. Nearly all Blue Sky program participants were satisfied with the program, but few knew much about it beyond the most rudimentary details. Many focus group participants had specific questions about the program and stated that they would like more information about the program. Requests for information typically focused on how their money is spent for the program, how many households and businesses have enrolled in Blue Sky, what are the environmental impacts of participation, will renewable energy become less expensive over time, and what are the program’s long-term goals.

Outreach and Awareness. Despite the many questions participants had, few had sought out answers on their own. Although some appreciated both the newsletters and the annual reports of usage and impact, surprisingly few customers remembered receiving *any* literature about the program subsequent to enrollment. When shown the annual usage letter and the newsletters that are sent to program participants, most responded positively stating that this is the type of information, that as program participants, they are interested in receiving. Focus group participants were relatively uncertain as to how to effectively distribute this information to program participants. Many suggested using improved graphics with more frequency as a starting point.

The sheer difficulty of reaching people—Blue Sky customers and non-customers alike—emerged as a major theme of the conversations. No easy answer and no one preferable method emerged: one person liked an email, which another would discard as spam; one wanted a phone

call while another would hang up on the representative. Few read bill inserts and most threw out impersonal mail without opening the envelopes.

Building general awareness through a strong community presence and the media came through as the best method—creating attunement to pave the way for specific appeals. Participants thought that if they'd seen something on TV, in the newspaper, at a community event, or on a placard announcing “this renewable energy project is being paid for by Blue Sky dollars,” they would be more likely to respond to bill inserts and other communications. An idea that generated considerable excitement in the groups was working with schools to educate kids about renewable energy and make them aware of what their families can do to make a difference. In the words of one Salt Lake City Utah participant: “My son came home one day and said, ‘we’re changing our light bulbs,’ and we did.”

Content and Clarity of Communications. Regarding the content and clarity of program communications, participants wanted to see—both as introductory marketing material and in program follow-up communications—specific and simply-stated information that addressed them personally by speaking to their usage, their cost, and the benefits achieved by their involvement in the program and by the program itself. The most logical place for such individualized information was the bill, or possibly an information service and calculator on the Blue Sky website.

Program materials describing Blue Sky options and money allocations generated significant amounts of confusion, most of which clustered around a few basic concepts, phrases, or practices. Program and industry jargon such as: blocks, kilowatt hours, offsets, “100% wind energy,” matching purchases, community funding awards, and “generation resource mix” were responsible for most of the uncertainty.

Program Design. As for the Blue Sky block, usage and habitat options, participants liked having a choice among such variables as price predictability, coverage of personal usage, and the purchase of other energy sources besides wind. Some requested clarification about how the block and usage options compared with each other. The habitat program, offered only to Oregon customers, sparked disagreement between those who liked the idea of the program raising and donating funds to promote threatened or endangered anadromous fish and those who thought it out of place as a utility company offering.

When the question of program options arose, support for having more options available than just the block program was universal. In evaluating the options themselves, several participants asked to know how they ranked in terms of environmental impact and cost. “Customers are comparing monthly cost to the good provided to the planet. Suppose you’re interested in doing the most you can – what’s the best program?” wrote a Bend business customer. In general, participants who cared more about the consistency and predictability of their bills preferred the block plan, while those looking to cover their own usage with renewable energy liked the usage option. Several wondered why the habitat option was not available to customers of the block plan.

Satisfaction with the Blue Sky Program. Satisfaction levels within the Blue Sky program were quite high. Of the 52 business and residential program customers who participated in the focus groups, 39 were satisfied (20 very and 19 somewhat), 11 felt neutral, and 2 said they were somewhat dissatisfied. When it came to the company in general, the numbers were similar: 42 satisfied (18 very, 19 somewhat, and 5 satisfied but not specifically mentioned as “very” or “somewhat” satisfied) 5 neutral, and 5 dissatisfied.

Satisfaction Levels			
	Very/Somewhat Satisfied	Neutral	Dissatisfied
Blue Sky	39	11	2
PacifiCorp Generally	42	5	5

In large part, satisfaction with the Blue Sky program was derived from appreciation of its very existence and goals; along with the “good feeling” it enabled enrollees to have about themselves. Those who were very satisfied with the program praised the company for being “aggressive about creating awareness”, for “ease of purchase, price, and the business recognition program,” for “the informative inserts in my bill” and “the annual letters detailing the tons of carbon emissions saved.”

Those who were somewhat satisfied felt less confident that they knew what was going on and often asked for more information—e.g., about the resource mix, how their money was used, or what the program was actually achieving. Two comments made in Ogden were “Have not really seen any concrete results thus far” and “I don’t understand much about the program but I like the idea”.

Environmental Benefits Statement. All focus group participants were asked to rank different expressions of the environmental benefits to the average customer buying 100% renewable energy for one year. Talking about reductions in terms of carbon dioxide released and miles driven emerged as clear preferences. The table below provides a weighted ranking of the results, where top choices were assigned three points, second choices two points and third choices one point.

Best Environmental Benefits Statement

	Best	2 nd	3 rd	Weighted Total
Avoided release of carbon dioxide (tons)	25	12	10	109
Avoided release of carbon dioxide (pounds)	21	13	13	102
Miles not driven	14	19	21	101
Acres of trees planted	12	18	19	91
Cars taken off the road	3	9	9	36
Round trips not driven	3	9	9	36

Action Plan Based on Research Findings

In response to customer feedback and research findings gathered through the focus groups, a Blue Sky Improvement Plan has been developed that includes 26 improvement opportunities. The items in this plan have been assigned a lead resource and will be further explored and considered for implementation over the next two years. Improvement opportunities include:

- ◆ Evaluate the feasibility of partnering with schools to build program awareness and appeal
- ◆ Consider development of testimonials focused on benefits to businesses
- ◆ Expand program appeal with messages focused on energy independence and American technological ingenuity
- ◆ Residential courtesy knock campaigns to gain additional program enrollments
- ◆ Call center focus of the month campaign to increase agent knowledge of the program, inform customers about the program during the connect process and gain new enrollments
- ◆ Develop stronger communications to educate customers they can participate for as little as \$1.95 per month
- ◆ Rely more heavily on the website to communicate program updates – highlight website as important source of information
- ◆ Examine the feasibility of promoting the program using more television and radio, including public service announcements
- ◆ Explore methods to increase the readership of Forecast newsletter and the annual report
- ◆ Tell customers why the company offers the program – develop messaging as well as a list of terms or phrases that are not clear to customers and incorporate definitions in the communications strategy
- ◆ Consider increased use of personal phone calls to business decision makers to gain new enrollments and/or increase participate rate/purchases
- ◆ Develop online process for customers to order bumper stickers, window clings, brochures, etc.
- ◆ Target electric check customers in direct mail campaign or develop bill inserts to increase program enrollments
- ◆ Create promotional graphics and links on ePay customer emails and online statements

- ◆ Develop a mission statement for the program
- ◆ Provide personalized information on bill statement including the environmental benefit of the customers individual participation
- ◆ Provide more information about where customer money goes and include in the annual report
- ◆ Include business customers in the annual report mailing
- ◆ Investigate delivery of annual report via email
- ◆ Include bold graphics on envelopes to bring attention to inside contents
- ◆ Design lead environmental benefit statements with a focus on avoiding the release of CO2
- ◆ Expand the Usage option to customers in all States (currently available in Oregon only)
- ◆ Determine what portion of available funds should be set aside for REC purchases and what portion should be dedicated to community-based projects
- ◆ Recognize as many businesses as possible in appropriate publications
- ◆ Consider reducing the business partnership recognition items to save costs; perhaps give customer an option of one item
- ◆ Change the business partnership program to an opt out option