

Market Research and Evaluation Services for Energy Conservation and Renewable Energy Programs



Jane S. Peters
President & Owner

About Research Into Action Inc.

Research Into Action has been a leading provider of energy efficiency, demand response, renewable energy, and resource conservation market research and evaluation services since 1996. The company is based in Portland, Oregon, and has additional offices in Seattle, Washington; Washington, DC; and near London, England. Clients include program administrators with utilities, energy-related governmental agencies, and nongovernmental organizations throughout the United States and Canada.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine

CEOCFO: Dr. Peters, what is the concept behind Research Into Action?

Dr. Peters: We provide market research and evaluation services to program administrators of energy conservation and renewable energy programs.

CEOCFO: Would you give us an example of a typical engagement for you? When would a company or an administrator turn to you for help?

Dr. Peters: Program administrators are usually utility companies or energy agencies. Sometimes, administrators are nonprofit agencies in states that invest funds collected from utility ratepayers to improve the energy efficiency of buildings in that utility's service territory. We usually respond to competitive requests for proposals and occasionally to requests to provide research services on a sole-source basis. These projects support the program administrators' efforts to understand the market for their programs, understand the market's response to their programs, and see whether or not there are opportunities to improve the program so it would generate more energy savings, or generate more energy if it is a renewable power program.

CEOCFO: Are most utilities anxious to provide better opportunities? Dr. Peters: That is one of the reasons we are talking about program administrators rather than only utilities. Utilities are among the most frequent program administrators, but they are not the only program administrators. Some utilities offer these programs because they see value in doing so. Others offer programs because they are required to, perhaps by a state public utility commission. However, the non-utility program administrators all do it because that is their mission: to save energy or support renewable energy. Therefore, it varies by program administrator as to whether they are looking for better opportunities.

CEOCFO: Is it typical to look for outside research or is it the more progressive companies that tend to do that?

Dr. Peters: I have been doing this for over thirty years. In the beginning, in the early part of my career doing this, a great deal of the work was done internally by utilities. Due to changes in the electric and gas utility industry in the mid 1990s to mid 2000s, less work is done internally now. Now, the majority of these research services, as well as the program delivery and implementation services, are purchased from outside vendors. By using outside vendors, the program administrator is able to be more flexible and to ramp programs up or down to better manage their costs.

CEOCFO: What might be a more common engagement and what might be something a little outside the box?

Dr. Peters: I would say that pretty much all of our projects involve interviews, such as you are doing with me, but with different players in the energy market, either a manufacturer, a retailer, or a program administrator; as well as surveys, usually of consumers or of owners of different types of businesses. Those would be either businesses that are delivering services or receiving services. Therefore, like most market researchers, we develop questions that address the concerns our clients have. Then we call people on the phone, or email surveys, or conduct focus groups, to ask them for the answers. Then we analyze what they have said and provide information back to our client about what we think it means.

CEOCFO: Do you typically have a good idea of what the responses will be or where it is going to go, given the years of experience?

Dr. Peters: It is always a bit of a surprise. We think we understand the issues because we have to draft the questions. Yet, there is nothing like talking to people. It is always refreshingly nuanced from what I might think people would say.

CEOCFO: When you are talking with people about energy are there some common feelings, some common misconceptions that come up often or common directions where people would like to see change?

Dr. Peters: In general, people do not think about energy much of the time, at least not as “energy.” People are more likely to think about the benefits of energy, such as, having good lighting, taking a warm shower or a hot bath, or getting their clothes and dishes clean, and those types of things. They do not tend to think about the fact of how that happens and what the ramifications are of different choices and equipment that they might choose to do those things. Therefore, I think that most readers would probably think, “Of course we do not think about those things.” However, for those who are designing programs to reach their customers, it is different. They tend to think about it a lot, so they sort of expect everyone else to, too.

We as researchers act as the translators between the customers and the program designers and implementers, translating information back and forth about what the customers of the energy equipment are thinking versus what the people who are designing the equipment or the program are thinking. This, of course is what makes this an interesting profession and one that is always changing, because new technologies are always entering the marketplace, and usually new technologies are more efficient than the older technologies.

“We do really high-quality research. We have very advanced methods for solving the types of research and program problems that our clients face. We are innovative and we have a very pleasant and enjoyable work environment.” - Jane S. Peters

CEOCFO: Your website indicates that you are focused on why people act, not how they act. How does that translate to the surveys, to the research, to the end product?

Dr. Peters: The bill that everyone gets once a month or every two months, depending on who your utility is, tells you how you acted. It indicates that you used so many kilowatt hours of electricity or so many therms of natural gas and the cost because of what you did.

We are interested in why that happened, beyond the obvious. What is it that people do? Did you have company stay with you this month? Did your children get sick? We did a study once where we made user-friendly graphics of the energy use collected from meters on different equipment in the house over a six-week period – something like you might get today from a smart meter. We took these graphics and asked the household members to talk about what they did during each of those weeks. They were able to look at the graphic and see how different equipment was on for shorter or longer time periods, depending on what had happened. For instance, we might say, “You had company this week. Here is your energy-use graphic and look how much different it is than the week when you did not have company. This shows that this is at the time of day when everyone was sitting down to dinner. You had big meals and you can see the increase in consumption.” Customers had a lot of insight from this about how their household activities affected their energy use. It was quite fascinating.

CEOCFO: What is the competitive landscape for you? Are there many people focusing in this area?

Dr. Peters: Competition has increased a great deal since 2007. We had a large increase in funding availability during that time. Some of the American Reinvestment and Recovery Act funding was for energy efficiency and renewable energy and some from increased state funding because energy investments truly result in local jobs. Therefore, there was a great deal of work that was offered and many people entered the field. There have been many mergers and acquisitions among the various companies that have been around since the 1990s. There have been people growing up and starting their own companies; the “I was in that company and now I am in my own company” type of people. Therefore, there is now a lot of competition compared to 10 years ago.

CEOCFO: Does the history matter? Does the longevity of Research Into Action make a difference or is it a bidding process and the competitive bid is winning?

Dr. Peters: It is competitive environment, and experience does matter. There have been times when proposals required that we had people with five years or more experience or twenty years’ experience on the team. Those people are less hard to come by today than they were four years ago.

We did a study with Lawrence Berkeley National Labs in 2008 and 2009. It was an estimation of the size of the work force for the energy services industry, which is what we are a part of. The primary problem at the time was that people were saying, “I can find people with two and three years of experience or one year of experience, and I can find people with

twenty and thirty years of experience. I can never find anyone in between.” That is less true now. Now, there are many more people with five and seven years’ experience, because of the work that has been happening in that five-year period since 2007. There is increasingly more experience in the industry. Eventually, experience will be less important than it has been.

CEOCFO: *What is your geographic range?*

Dr. Peters: As they say, “Follow the money,” and the money is geographically centered. There are places where there is less money spent on energy research than other places. The West Coast, the East Coast; and Northwest are key places where money is spent. Therefore, that is where most of our work has centered. We do see activity increasing in other parts of the U.S. This is very exciting.

CEOCFO: *There are many projects listed on the website. Is there any limit to what you can take on? Are you able to ramp up should many, many projects come your way or is it all so spaced out or so long in advance that you can plan for everything?*

Dr. Peters: It is consulting, Lynn. We never know beyond the next three months. Luckily, my father was a general contractor, so I understand the business. It is really rare to have projects that last for more than a year. Our projects range from three months to five years or more, and from \$60,000 to several million. Our team is multi-talented and very flexible; we can allocate people to tasks as needed. And we expanded rapidly after 2005 from 13 to 34 staff during that period and were recognized as one of the fastest growing companies in America’s inner cities by the Initiative for a Competitive Inner City.

CEOCFO: *Therefore, you can take on all comers?*

Dr. Peters: Yes!

CEOCFO: *What do you look for in your people? What are the intangibles as well as the understanding of the service itself?*

Dr. Peters: We primarily hire for research experience. We want people who are good social science researchers who have a sound foundation in how to conduct research and then a passion for and an interest in the topic.

CEOCFO: *What is the key to asking unbiased questions and doing research that really is neutral?*

Dr. Peters: One is the systematic nature of the sampling. We really try to develop a solid understanding of the population, such as who we are trying to query. For instance, is it all retailers, or is it only retailers who deal with specific equipment? You have to really understand who you are trying to talk to so that you can then get a representative sample.

Then the other is that, if your sample is good, you need to ask the questions so you will get answers that you can use – so the questions make sense to the people you interview. In terms of unbiased questions, there are many guidelines to creating unbiased questions. The keys are not leading the person toward a specific answer, not having our own opinions be evident, and not asking two questions in one. You do not want to give them the answer. You want to ask them questions that will have clear answers.

CEOCFO: *How do you get people to participate? Everyone is so busy and people often do not want to spend the time.*

Dr. Peters: We try to sound as pleasant as you do. It is important to invite people to the conversation, rather than approach it like a requirement. Most of our interviews occur with people who have participated in some program, so they tend to be willing to talk about it. We sometimes have to offer an incentive, but generally I have found that people like to talk, so if the questions are interesting, they stick with us throughout the interview.

CEOCFO: *Do your clients tend to follow through on your recommendations? Have you tracked what happens after?*

Dr. Peters: I usually have not tracked what happens after. That is because fundamentally we are just one piece of information in our clients’ decision-making process. Our product is delivered through a research manager who then communicates to the program people. Program management is only one source of information. As for our clients’ follow-through on our suggestions, I would say that it is at least fifty-fifty. Over my career, there have been times when I thought it was much higher and times when I thought it was much lower. Overall, fifty-fifty seems pretty good.

CEOCFO: *Are there particular types of projects that you like to work on?*

Dr. Peters: We are really interested in behavior projects these days. I am sure that you have read many of the articles, such as David Brooks writes, about behavior change. In some of his commentary in the *New York Times* and others that have been cited, there is a big interest in finding ways to more subtly change the way people use energy or the environment without people having to make big investments or to put it into their long-term thinking. Therefore, there are now programs using subtle and nuanced approaches, where the program administrators work with, say, businesses to

develop a holistic and strategic approach to thinking about energy in their business. For most commercial businesses, energy is less than five percent of their costs. Therefore, they think of it as a fixed cost, rather than a variable cost. Energy is definitely something where you can change your spending by the way that you use the energy in your business.

This is true even for a business like mine. We're tenants in an office building. The electric lights and computers account for most of our energy bill. We've discovered that turning our computers off when we're not using them makes a big difference. We are using them twelve hours less a day if we turn them off each evening. That is half of what we might be consuming otherwise. Similarly with our lights. We put in lights that can be switched to use from one to three lamps, depending on the available daylight. Thus at times we use a third of what most businesses' lights consume. By choosing efficient equipment and making many behavior changes, according to monitoring by the New Buildings Institute, we are using a third less electricity than most other businesses like ours. That is a strategic approach we've taken. While energy still seems like a fixed cost, it is a much lower cost than it was to begin with. These types of programs that work with people's behaviors are a key area of our expertise.

CEOCFO: *Research Into Action was named The Greenest Company to Work For in Oregon last year? Was it a deliberate strategy to make everything as green as you could or did the concept grow step by step?*

Dr. Peters: I tend to believe that you really do make more money if you save energy and reduce waste. I've been committed to these values – at home and in my business – since the 1970s. Our Green Team and administrative staff implement our Sustainable Purchasing Policy. We're always looking for ways to be more aware and efficient. Also, you attract people with an interest in the topic if you make it a part of everyday life and work. There is a great deal of opportunity and benefit involved in walking the talk.

CEOCFO: *What is ahead for Research Into Action?*

Dr. Peters: I do not know. As—I think it was Yogi Berra—said, "It's hard to make predictions, especially about the future." We are seeing more states commit to increasing state and local funding for energy efficiency. Something like well over forty states now have public benefits funds for energy investments. These funds result in more local jobs and better-quality housing, as well as quality commercial and industrial buildings and processes that cost less to operate. We anticipate being able to work in the Southeast and the Southwest over time because those places will be interested in improving their programs.

CEOCFO: *Why does Research Into Action stand out?*

Dr. Peters: We do really high-quality research. We have very advanced methods for solving the types of research and program problems that our clients face. We are innovative and we have a very pleasant and enjoyable work environment.

BIO: Dr. Jane S. Peters, President and Owner, has more than 30 years of experience in customer research, market assessment, program performance measurement, and evaluation, focusing on energy efficiency, demand response, new technologies, and renewable energy.



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