

## **Taking the Time to Ask the Right Questions or, CSTRR: a Case Study with Attitude**

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During the past year and a half, the nation's attention has been directed toward the growing need to address existing energy policy. Recently, the national political debate has focused on the need to establish a comprehensive energy policy for the country. A substantial amount of attention has been given to the need to balance the interests of the array of stakeholders interested in influencing this policy.

This paper will focus on the need to insure the integration of renewable energy resources as a foundation for national policy. It is based in part upon my experience as a solar advocate in the state of Nevada. It offers one perspective on how energy other advocates might revisit past approaches and seize the ever-elusive "window of opportunity."

### **The Case for Better Advocacy**

Certainly, many would argue that renewable energy resources provide the potential to promote sustainable energy solutions that benefit the environment and improve the quality of life for people around the world.

"Renewable resources," is the common terminology used to describe energy produced by the sun, (solar), the heat of the earth's interior (geothermal), air in natural motion (wind) and biodegradable waste (biomass).

However, if you polled a group of average people with no connection to the renewable energy movement, most would be hard pressed to explain what these terms mean. The complexity of the explanation is a turn-off, even for the intellectually curious. Consumers also seem inextricably tied to old images of

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<sup>1</sup>Note that the contents present the views of their authors, not necessarily those of the Department of Energy, RAND, or any other organization with which the authors may be affiliated.

solar and wind energy sources --ugly panels atop roofs and large farms of windmills. The recent improvements in technology, reliability and aesthetics have not replaced the stereotypical images of the seventies. Indeed, many of the most exciting innovations remain trapped in the lab environment.

## **Key Questions**

What's wrong with this picture? How do we translate these complex technological advances into a simple message of opportunity? Why have we not witnessed any significant development of these resources? And why are we not better prepared to pursue energy independence? How can we improve the use of funding resources made available to us by federal and state government to truly promote the broad based use of these resources? How can we effectively secure and leverage private industry participation in this effort? These questions clearly have relevance beyond the borders of Nevada. These are questions that every state must ask itself in light of recent developments. Why do we persist with the "business as usual" mentality? We need answers to these questions and fast.

## **The CSTRR Experience**

Five years ago, the Solar Enterprise Task Force created The Corporation for Solar Technology and Renewable Resources (CSTRR), a not-for-profit tax- exempt corporation. The Task Force was comprised of state, federal, and industry representatives. It was co-chaired by U.S. Senator Richard Bryan and former Assistant Secretary for Energy and Efficiency and Renewable Energy Christine Ervin . CSTRR was created in an effort to address many of the questions raised in this paper.

The following excerpt from the CSTRR Interim Report to DOE is instructive.

The Mojave Desert may appear to be a desolate wilderness, but this vast dry ecosystem shimmering in the sun's radiant heat is a potential Mother Load of renewable energy.

Nevada is one of the few states in the nation with an exceptional renewable energy resource base. It has been well documented that Nevada has one of the best resources for solar energy in the world. A rich supply of geothermal energy is present in the northern region of the state. Recent studies indicate the presence of a substantial wind resource and the farming, ranching and Lake Tahoe basin represent a tremendous opportunity for biomass production.

After serving as a member of the Nevada Public Service Commission for five years I was recruited to lead the CSTRR effort. As a Commissioner, I frequently questioned the lack of more developed alternative energy resources in the state. I could not understand the logic behind the lack of programs that leveraged the opportunities presented when conservation, energy efficiency and renewable resource deployment were married into a single “zero energy” approach.

This was a common line of questioning used during cross-examination of Commission witnesses. I suppose when you raise such questions in a public forum it becomes more likely that you find yourself called upon to ‘walk the talk.’

I left a comfortable and visible position as the Director of the Nevada Department of Business and Industry (B and I) to become the CEO of a solar advocacy organization. B and I is a monster agency. It regulates everything from banks to dairy farms, insurance, mining and industrial relations. It was a fast-paced, invigorating and productive ride. However, my tenure with CSTRR became the most stimulating and incredibly challenging, interesting and informative journey of my career to date.

CSTRR made historic strides that are just being recognized today. Over a short period of five years the Corporation made sizable inroads to be sure, but fell considerably short of expectations. Some would argue that these expectations were unrealistic. Others cite timing, Nevada’s low energy rates, and an unprecedented robust economy as the culprits. In 1995 Nevada utilities posted some of the lowest rates in the west. In addition, most energy related decisions were made in the shadow of pending retail competition and utility deregulation. I believe these issues factored significantly into CSTRR’s ability to convince consumers and policy makers that renewable energy technologies deserved the funding necessary to explore innovative ideas for technology deployment.

## **Identification of Critical Barriers**

The most significant achievement for CSTRR came with the tremendous support of the Department of Energy through FEMP, NREL and the Western Area Power Administration. These organizations recognized the value of innovation and agreed to collaborate with CSTRR in an effort to identify federal facilities interested in the purchase, installation and demonstration of solar technology.

As a result, CSTRR secured over 80 megawatts in commitments from federal agencies for the purchase of solar energy. The process that followed included a

targeted message to a customer representing the largest consumer of any goods and products in the world, the United States government.

Using the federal government as the primary focal point, we embarked upon an aggressive campaign to create a leadership model for the use of renewable resources in the US. This experience also allowed us to identify a number of significant barriers. These barriers became the foundation for detailed review and action.

Without exception, the most significant barriers identified as a result of the CSTRR experience related to cost, pricing, and the general economic factors and affordability of the solar systems.

If we truly want to establish reasonable/effective strategies to limit the use of fossil fuels in the future, we must be realistic in the approaches we adopt today. We need a well-informed consumer willing to demand the supply of these technologies.

## **It's the Market**

In market development the practice of preaching to the choir is a recognized point of failure. I am far more interested in the challenge of creating a compelling argument to convince the opposition than gaining the cheers of fellow advocates. I do not believe that those who disagree with my position on the issues are automatically unenlightened or enemies. *Over zealous, inaccurate advocacy is tantamount to silence* and is definitely counterproductive. Failure to target a message with the appropriate audience dooms any effort. Conflicting messages and messengers make for a mess. Allowing old techniques to rule the day creates dinosaurs. The use of silly acronyms and abbreviations simply is not cool. It takes too long to decipher. In these days of e-commerce when transactions can be completed in seconds, time becomes a critical issue. Time is money. Such is the lament of decision-makers who wish to be helpful but are lost in the morass of the all too often technical explanation.

For the purpose of this panel discussion, I maintain that the key to sustaining the market for renewable energy systems will be the success of the marketing efforts and public relations campaigns in delivering the key messages identified in product specific research. Putting the safety and health of the environment uppermost in the mind of the consumer will be necessary in order to sustain awareness of the product and its intrinsic benefits. Programs, which are focused on customer choice, should be leveraged in marketing materials and advertising. But we need solid input from the consumer, the general public and the end user.

It is imperative that professional media coverage, both broadcast and print. *System installations must pass the tests of reliability, aesthetics, and performance.* These efforts should focus upon the environmental benefits and the general economic benefits being offered to the individual consumer and the community and large must be emphasized. Research undertaken today must focus on improving performance and reducing costs. The results of this research should be available to the public. This type of credible and meaningful advertising for systems will invariably help sustain sales of the products.

It is also imperative that a strong and well targeted initial marketing effort be developed. This requires industry to conduct quantitative and qualitative research on the target market segments identified in each market to assist in the creation of successful marketing tools.

Every state should have a well-identified central repository for renewable energy data. As such, organizations like the Interstate Renewable Energy Council should play a more central role in seeking input to develop stakeholder based recommendations to help establish priorities for policy/decision makers.

## Customer Choice

Friday nights at my house have become a ritual. My week, like most professionals', is full of meetings, transportation nightmares and various levels of preparation for future activity. Friday is the day to refocus and begin a wind-down process. With a four-year-old, life rarely provides the opportunity for an occasional chardonnay, instead it means pizza!

As I understand it, most people enjoy really good pizza, ergo its popularity. One of the reasons is that pizza allows for such a variety of combinations -- from the divinely simple to the outrageously sinful. With this in mind, my family makes several selections to meet the range of tastes. The meal is easy and over quickly. *The key issues here are ease of process, familiarity, efficiency, satisfaction, and creativity. But most of all, in a word: CHOICE.*

There are many approaches that may be undertaken to broaden the acceptance of renewable energy technologies. There is no single approach. Instead, we must take advantage of the data, which has been collected over the past decade. It clearly indicates that customers prefer choice. Depending upon demographics, price drives this choice.

Economics drive customers. Customers drive markets. But first, they must be informed, educated and challenged.

Last year, Susan Dibella authored a provocative article for *UNLV Magazine*. In the article entitled “The Value of Research,” she explores the extent to which the average person appreciates research.

To most of us, the term “research” conjures visions of white-coated scientists mixing potions in test tubes or bespectacled scholars poring over dusty volumes in a library basement. But how does research really happen and why is it so important?

In the article, research efforts are described as essential, misunderstood, and too complex to provide a direct relationship with a result. I can relate. During my tenure with CSTRR a significant amount of my time was devoted to public interaction. It is difficult to translate the degree of frustration that stems from attempts to explain the value of “renewable energy resources.” While many enlightened consumers understand and appreciate the concept most haven’t a clue. If I stop to say solar or wind, the reaction is different. The most embarrassing question researchers face relates to explaining why the resource was not more readily available. A typical reaction may be, “Call me when I can I pick this up at Home Depot or Lowes.” Or, “Does this stuff come with the purchase of my new home?” A Nevada favorite, “ I love solar, the fuel is free so sign me up!”

## **An Effective Message**

A few months ago the Merica Agency, the Nevada-based advertising and consulting firm associated with my firm, Faiss Foley Merica, developed a research process for its clients dedicated to building the brand/message and providing a strategic direction to implement the results. The MPACT Process was designed to assist our clients in developing and maintaining their brand. It helps the client with market positioning and consumer testing. It insures that all marketing efforts from public relations to database marketing to Internet marketing to consumer and trade advertising remain strategically on target. This is just one of many approaches that the renewable energy community might adopt to improve its ability to move technologies from the research phase to market based product.

## **Conclusion**

The vast majority of scientists in the world believe that there is value in taking affirmative steps to conserve energy, reduce emissions and redirect industrial environmental practices. Research suggests that these steps will lead to a

substantial reduction in the potential for global warming. The need to explain the importance of this position has been made clear.

Developing economies are desperate for power to run hospitals, schools and to put their human and natural resources to work.

As the national debates rage, it is critical that advocates take advantage of the focus to craft an effective message. This cannot occur until the experiences of researchers and image-makers merge to craft the right message. Whether we chose to promote distributed generation or chose another approach we must seek the right input to answer the right questions. But first, we must ask the right questions.