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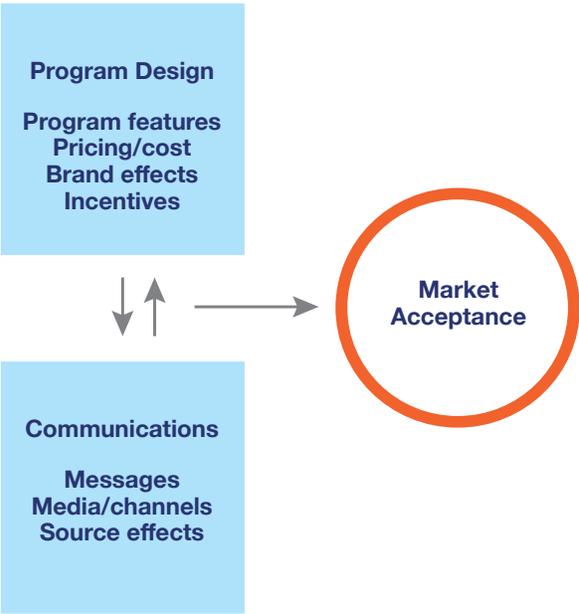
EXECUTIVE SUMMARY

ACCELERATING ADOPTION OF COMMUNITY SOLAR

Utilities considering introducing community solar to their customers face a challenging set of program design and marketing questions. Related to program design, utilities have to decide what the community solar offering should be; how much to charge; what limits to place on customer participation; what credit provided to participants; how long contracts should be; etc. A program that does not sufficiently appeal to the target market will be undersubscribed. Related to marketing, utilities must develop compelling messages leveraging the most influential sources of information about community solar, and deliver these appeals using the most effective media for their target audiences. These program design and promotional challenges can seem daunting to utilities unaccustomed to direct marketing in a competitive landscape.

This white paper, developed in partnership with the Solar Electric Power Association, documents an approach developed by Pacific Consulting Group (PCG) to directly address program design and communications challenges utilities face with community solar marketing. PCG designed and analyzed a nationwide (8-state) survey of 884 respondents eligible to participate in community solar. Using a technique called consumer choice modeling, the survey captured underlying values consumers place on various program design parameters, and the trade-offs they make when evaluating program designs. An interactive market simulator based on the survey data predicts market acceptance of over 375,000 optional program configurations. The simulator also analyzes, by segment, which message-source-media combinations will be most effective in influencing adoption of community solar.

FIGURE 1: PROGRAM DESIGN AND COMMUNICATIONS INFLUENCE MARKET ACCEPTANCE OF COMMUNITY SOLAR



The report findings corroborate some previous SEPA-initiated research while delivering some surprises. For example:

- **Overall, program design makes a significant difference in market acceptance.** Programs that minimize (or mitigate) initial investment, allow consumers to reduce a large portion of their bill, deliver cost savings (especially longer term), and do not have binding contracts result in four times greater projected market penetration than programs that do not adequately provide these options. The relative importance of each program design element is depicted in the figure below.
- **Forecasted penetration of community solar differs significantly by state.** An appealing design would deliver 49% penetration in Michigan, but only 26% in California, which underscores the value in understanding local markets in designing and promoting community solar.
- **While the message is the most important communications campaign factor, media and source components are also influential.** Messages emphasizing program eligibility and economic factors are generally more persuasive than environmental messages. Organizations with expertise in the energy field are more credible and influential sources of information. And Media that directly target individual consumers are more persuasive than mass media like radio, newspapers, or social media.

PCG believes utilities can use the consumer choice modeling approach to “get it right the first time” with community solar offerings. Armed with quantitative market forecasts of optional program configurations and communications campaigns, companies can develop and test creative ideas without risking costly failures, fine tune existing concepts to maximize appeal, and engage constructively with both internal and external stakeholders. This market-driven approach will expedite planning — saving time and money — and ultimately will deliver better program performance.

FIGURE 2: RELATIVE IMPORTANCE OF SEVEN PROGRAM ATTRIBUTES ON THE DECISION TO ADOPT COMMUNITY SOLAR

