

Market Progresss Evaluation Report - Executive Summary

Regional Building Operator Certification, No. 2

Volume 2

prepared by

Research Into Action, Inc.

Jane S. Peters, Ph.D.

Sharon Baggett, Ph.D.

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NORTHWEST ENERGY EFFICIENCY ALLIANCE

www.nwalliance.org

529 SW Third Avenue, Suite 600
Portland, Oregon 97204
telephone: 503.827.8416 • 800.411.0834
fax: 503.827.8437

FINAL REPORT

**REGIONAL BUILDING OPERATOR CERTIFICATION
VENTURE: MARKET PROGRESS EVALUATION
REPORT – YEAR-END 1998**

Volume 2

Submitted To:

Dune Ives-Petersen, Ph.D.
Northwest Energy Efficiency Alliance

Prepared By:

Jane S. Peters, Ph.D.
Sharon Baggett, Ph.D.
Research Into Action, Inc.

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EXECUTIVE SUMMARY

Volume 2 of the Regional Building Operators Certification Venture Market Progress Evaluation Report presents information on market conditions for the BOC Venture. Included in this volume are the results of the Baseline Survey, a market assessment for the BOC Venture, an assessment of the BOC Venture market transformation strategy and recommendations for enhancing Venture effectiveness in the market place. This research was conducted as part of the evaluation of the BOC during February and March 1999.

BASELINE SURVEY STUDY DESIGN

We developed a Baseline Survey to address several key issues of the 1999 market for building operations and maintenance training for energy efficiency. We administered the survey to a sample of building operation supervisors in the four Pacific Northwest states: Idaho, Montana, Oregon and Washington.

The sample for the survey was drawn from lists developed by key contacts that were involved in the implementation of the BOC in each state. For Oregon and Washington, we found the lists to be relatively exhaustive of public and private facilities. In Idaho and Montana list development was more difficult. There are very few associations for private or public sector facilities managers and operators in these states. In addition, the focus for Idaho was on those remaining public sector facilities where participation in the NWBOA certification program has been minimal.

BASELINE SURVEY RESULTS

The following are key findings from the Baseline Survey:

- We estimate that there are approximately 75,000-80,000 operators working in 4,000 facilities in the four-state region who could take BOC training.
- 30% of the building O&M supervisors are aware of the BOC. Awareness tracks closely with exposure to marketing of the BOC. Idaho supervisors are most aware, followed by Washington supervisors, then Oregon supervisors and finally Montana supervisors.

- Supervisors on average are willing to pay \$707 for a seven course comprehensive building O&M series. We found 22% of those considering sending staff to the BOC to be willing to pay as much as \$950. Willingness to pay, however, appears to track with exposure to different fee structures for BOC. Idaho supervisors have the lowest willingness to pay, Washington the next lowest, then Oregon and Montana.
- Supervisors expressed greatest interest in building O&M courses that were competency based. Both private and public sector supervisors rank preventive maintenance highest as a course they consider valuable. Electrical systems training follows next. The private sector supervisors rank the importance of energy conservation higher than public sector supervisors and public sector supervisors rank heating equipment maintenance and troubleshooting and indoor air quality training higher than do private sector supervisors.
- Interest in sending staff to the BOC varies by sector and by state. Public sector supervisors appear most likely to send staff to the BOC. Supervisors in Montana are most likely to consider sending staff to the BOC followed by supervisors in Idaho, then Oregon and lastly in Washington.
- Supervisors expressed a strong preference for single day courses offered within one hour driving distance from their facility by trade associations that cost \$75-100/day.

MARKET ASSESSMENT AND ASSESSMENT OF BOC STRATEGY

The market assessment followed the framework proposed for the California Board for Energy Efficiency. Using the framework we defined the market as energy efficiency O&M training for building O&M staff in commercial buildings in the commercial and industrial utility sector. The functioning of this market was described and market barriers were identified.

Using the framework we found that that NEEC and NWBOA are making progress toward reducing market barriers to training. Awareness is increasing, participants respond favorably to the venture and it appears that there is substantial market potential for the venture.

Specifically we found the following barriers affected by the venture:

- **Substantially Reduced Barriers:** Performance uncertainty, Availability of service, Inseparability of product features,
- **Somewhat Reduced Barriers:** Information and search costs, Transaction costs, Organizational practices, Split incentives.
- **Barriers Not Affected:** Hidden costs
- **Not A Barrier:** Access to financing

However, the challenge to further reduce or eliminate the remaining barriers is sizable. The following recommendations may facilitate this reducing or eliminating the remaining barriers.

RECOMMENDATIONS

Marketing of the BOC Cannot Slacken

Seventy percent of the building operator supervisors in the region remain unaware of the BOC. Though supervisors express possible interest, they need to be informed the BOC exists and what it offers. Public sector supervisors are most likely to be considering sending staff to the BOC training, but private sector supervisors are open to the idea of training and have specific needs the BOC can satisfy. Marketing to each sector should emphasize the features each values most (i.e., private sector supervisors rate training in energy conservation techniques highly and public sector supervisors rate training in indoor air quality high).

Maintain Pricing Strategies

In 1999, NEEC is offering the BOC at \$850 and plans to offer the BOC for \$925 or \$950 in the near future. Given the Baseline Survey and evaluation findings on willingness to pay, NEEC should strive to charge full fare for the course series as soon as possible.

We also find that increasing the fee structure in Idaho is the only way to address the disparity between states in willingness to pay. NWBOA should explore options with the Alliance and with Alliance partners to offer targeted subsidies to schools and other public sector organizations that find the increased fees difficult to meet. However, disparities in pricing are only likely to exacerbate the current discrepancies in willingness to pay and therefore should be avoided.

Market BOC Non-Energy and Energy Benefits

The BOC has many strengths in the current course structure, the most noteworthy is the focus on competency based training. This should be a major take-away in the BOC marketing message. An additional take-away should be the non-energy benefits reported by supervisors of increased self-esteem and improved work habits after staff complete the BOC training program.

To reach more public and private sector supervisors, however, the curriculum committee should also explore incorporating desired training issues such as preventive maintenance into the Level 1 course series. Preventive maintenance is a high priority for both private and public sector supervisors.

One option might be to restructure the systems overview course. The evaluation follow-up surveys found that students did not feel that the systems overview class was really useful, though they report the greatest gain from the systems perspective of the course series. It may be that this course can be restructured, moved to the end, or otherwise changed to capitalize on the value of the systems concepts to students and to incorporate preventive maintenance strategies into the course series.