



Committee on Energy and Natural Resources

Testimony of:

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June 28, 2012

GoodCents Overview

Mr. Chairman and members of the Committee on Energy and Natural Resources, my name is Bill Rodgers and I am the President and CEO of GoodCents Holdings, Inc. GoodCents is headquartered in Atlanta, Georgia and has provided operations in 20 states and Canada over the past year. I thank you for the opportunity to testify before you today on the important topic of energy efficiency.

Energy efficiency programs can and do exist independent of federal financing and incentives. Our company has been in existence for over 30 years and our continued growth over that period is clear evidence of the role market forces can have in driving EE programs. During that time we have provided multiple types of Demand Side Management programs such as energy efficiency to over 150 Utilities and their customers. Our Utility customers include Investor Owned, Co-operatives and Municipalities. We have over 400 employees located across our country and in Canada who wake up each and every morning focused on assisting businesses and residents in conserving, and better utilization of, their energy requirements.

Our company partners with both electric and gas Utilities to deliver the most effective programs targeted at reducing their energy footprint. Just samplings of some of the programs we deliver are:

- Facility Audits (both residential and commercial)
- Income Qualified Weatherization
- Equipment Efficiency Studies
- Retrofit Programs for Commercial and Industrial
 - Lighting
 - H.V.A.C.
 - Equipment (motors, drives, refrigeration etc.)
- Trade Ally Network development and management
- Energy End Use Studies

Our involvement covers the full spectrum of services: From initial program design, focusing on the delivery of the required or targeted savings; to the critical marketing services, targeted at customer education and enrollment into the programs; to the field implementation and the ultimate measurement and verification of the actual savings achieved which is used to report back to the respective regulatory body.

With the focus of this hearing to review non-federal programs for financing energy efficient building retrofits, I would like to review several items. While there are several alternatives to replace or supplement federal funding and support of various programs (such as performance contracting, equipment based loans, on-bill

financing, etc.) there is a key driver to the ultimate success of these programs. Essentially, where we have experienced the greatest level of achievement in terms of customer acceptance and collaboration is in the states where clear and precise standards have been established. In our experience the most successful programs are those in which a state establishes Energy Efficiency Resource Standards (EERS) and then allows the marketplace to develop the best method to achieve those goals. To date, 26 states have established EERS.

The collaboration comes through the strong alignment of interests of the state, regulators, Utilities, commercial and industrial businesses and residents, along with the private sector service provision. Programs and models are developed that properly focus on maximizing the energy savings through targeting the effective rate of return on the investments made through various retrofit projects.. Energy efficiency remains America's cheapest, cleanest, and fastest energy source when compared to any other supply side generation where costs have continued to rise. We can reduce costs for both the consumer and utility, eliminate pollution and create green jobs all without federal dollars. A current example of a successful Initiative that doesn't require any federal financing is being delivered across the State of Indiana.

Energizing Indiana Overview

In 2009, the State of Indiana joined many other states, and since that time many others have followed, to establish long-term Energy



Efficiency Resource Standards (EERS). Please see the map of the current State EERS on page 16 of this testimony. These standards set forth energy savings targets with specific timetables for achievement. Once the EERS were established, Indiana undertook an exhaustive review of their options for achievement. Their model evaluated the need for a true partnership of all stakeholders in order to achieve their ultimate goals. They established a Demand Side Management Coordination Committee (DSMCC) of the Indiana Utility Regulatory Commission (IURC) made up of representatives of each of the Utilities, municipalities and consumer groups in the state. They went to the marketplace to bid and ultimately select an Independent Third Party Administrator for their statewide initiative. GoodCents was selected and entered into a contract targeted to reduce energy use by more than 1.2 million MWh over the first two contract years of 2012 and 2013. Branded “Energizing Indiana,” the initiative is a united effort by the state, participating Utilities,

businesses and consumer organizations to offer energy efficiency programs that will benefit communities across the state.

This extensive, state-wide suite of five core energy efficiency programs includes: Commercial & Industrial Prescriptive program on the most energy consuming equipment and process improvements, Residential Home Energy Assessments, Income-Qualified Weatherization Services, Residential Lighting expansion through over 300 participating retail locations, and both Energy Educational Programs and Commercial Building Assessments for Indiana Schools.

As administrator, GoodCents is coordinating, managing, implementing and reporting on this core suite of programs designed to meet the annual energy savings goals identified for each participating Utility. In addition, the Utilities also offer other “Core Plus” programs directed toward expanding to an even greater suite of energy efficiency services that GoodCents works to educate the ultimate customers on the combined value. GoodCents has built a world-class team of experienced professionals from across the state and is managing the program from four Indiana offices in Indianapolis, Merrillville, Fort Wayne, and Evansville.

GoodCents believes that by consolidating energy efficiency programs into one core initiative, Energizing Indiana has the power to benefit many Utility customers; from

industry to businesses, and schools to homeowners. The power of offering an integrated, more tailored approach most definitely drives additional benefit and savings for the customers. We see other states following Indiana's lead of program consolidation because of the efficiency and continuity gained by the scale of operations. One of the most important operational components of these Utility-sponsored programs is the focus on energy savings data-gathering, retention, and validation attributable to each Utility customer.

The Energizing Indiana program has also created a significant number of new jobs for Indiana residents; the program has to date directly hired over 100 management, administrative, and technical positions from the Indiana workforce. In addition, when a business or home makes efficiency improvements as a result of assessment programs, the work is performed by local professionals; that means dollars spent stay in the community.

Approach to Market

Through years of experience, GoodCents has identified a variety of tools that are effective in engaging customers and changing their behavior resulting in optimal program enrollment. The key to a program's success is establishing a strong marketing campaign that spans across multiple marketing channels and provides

multiple touches to Utility customers to increase both awareness and activity. In addition, it is essential to develop an enrollment channel that is easy and convenient for customers to use.

Effective marketing is the key to robust participation. GoodCents has a complete array of marketing capabilities including print collateral design and production, social marketing programs (community engagement programs, social media implementation, local enrichment programs, etc.), and electronic communications to include website development, landing pages, email campaigns, and online program administration. In many programs, incentives are used to drive higher response rates through both direct mail and community enrichment.

GoodCents also works with Utilities to establish program awareness through social marketing platforms and pushes to engage local newspapers for additional support. In addition we use resources such as social media sites like Facebook, Twitter, and YouTube to raise awareness of the energy efficiency and demand response programs. GoodCents works with the Utility to build a program webpage that provides program information and allows the customers to enroll. In addition, we piggy-back some program marketing approaches with any of the Utility's current and future media campaigns or marketing efforts.

When working within the energy efficiency business the key to gaining both commercial and residential customer acceptance is in educating them as to the benefits of the programs, allowing them to understand the financial impact and return on their investment as well as working to make the process participation simple.



Types of Programs Delivered

Demand Response Programs

Load Control Programs

For more than three decades, GoodCents has been a valued partner for Utilities implementing demand response programs. In addition to advanced and emerging smart grid technologies, the Company installs and commissions a wide array of demand response devices, including communicating thermostats, water heater and pool pump controllers, and internet gateways, across a range of protocols and communications mediums. Active programs being delivered in California, Georgia, Illinois, Indiana, Kentucky, North Carolina, Ohio, Oklahoma, South Carolina and Virginia. Recently completed programs were also in Nevada and Washington.

Home Area Networking

Home area networks connect all aspects of the home to best understand how and where and to what degree energy is being used. A home area network is a network of energy management devices, digital consumer electronics, signal-controlled or enabled appliances, and applications within a home environment on the home side of the electric meter. GoodCents utilizes its decades of experience in demand response and working inside the home to leverage the optimal solutions for our customers in establishing the most effective home area networks to allow for maximum understanding of usage. We work with our Utility clients to identify, enroll and implement the networks as well as analyze the data for meaningful future program usage. Current programs in Arizona and Texas.

Advanced Metering Infrastructure

GoodCents' Advanced Metering Infrastructure offering combines smart meter deployment, infrastructure component installation, proprietary scheduling and routing applications, and customer call centers. The combined offering ensures the most efficient deployment of smart grid programs, and positions GoodCents as an important link between the Utility and its customers.

Energy Efficiency Programs

Income Qualified Weatherization

GoodCents' Income-Qualified Weatherization programs utilize a combination of a well-defined, standardized in-home measure installations process and a solid, long-standing analytic software tool. Our program delivery may include combustion safety testing, blower door guided air sealing, arranging for attic insulation, and providing conservation education and encouraging adoption of energy efficiency measures. Active programs are being delivered in Florida, Indiana, North Carolina and Virginia.

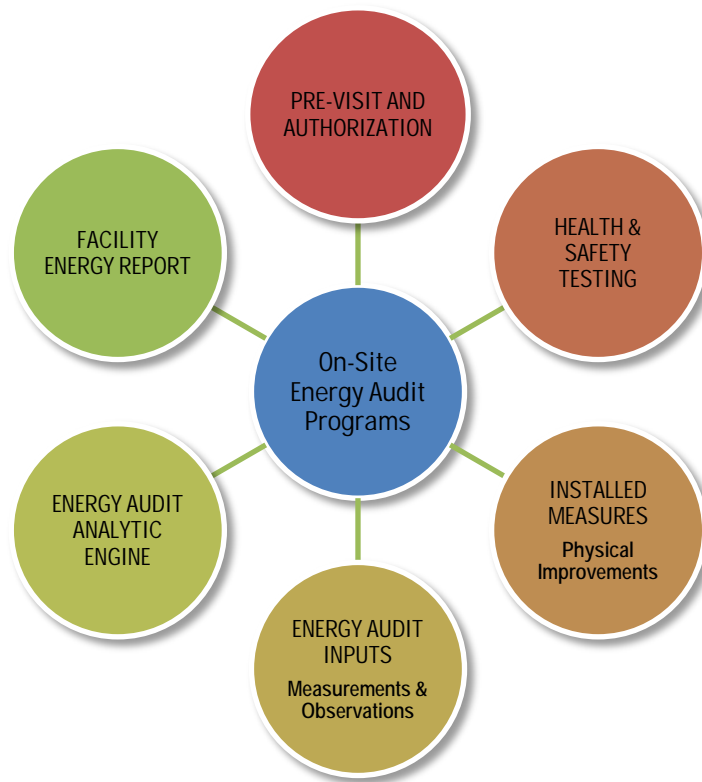
Residential Energy Assessments

GoodCents believes that on-site energy assessments provide the best opportunity to reshape the energy usage habits of all customers. Our highly trained and experienced technicians perform detailed site surveys and work closely with the customer to install energy efficiency measures as determined by the Utility and their customers.

Along with installing measures, we are also capable and equipped to conduct in-out testing for implementation-style assessments such as weatherization, duct repairs, ceiling insulation and more. GoodCents generally uses six common elements for on-

site energy efficiency programs, pre-visit and authorization, home health and safety, installed measures, energy audit inputs, energy audit analytic engine, and homeowner's energy report. Active programs are being delivered in Indiana, Ohio and West Virginia.

Six Common Elements of GoodCents On-Site Energy Efficiency Programs



Commercial & Industrial Energy Assessments

GoodCents' Commercial and Industrial programs include prescriptive and custom incentive structures that reward participants with monetary incentives based on

their installation of energy efficiency equipment upgrades. These upgrades include lighting, motors and pumps, HVAC, and potentially other equipment such as ENERGY STAR® transformers and efficient package refrigeration. Incentives will be provided for one-for-one replacements, retrofits and new installations of qualified equipment.

The objectives of the C&I Prescriptive Program are to:

- Lower electric energy consumption in the C&I market sector.
- Help C&I customers decrease their overall energy costs.
- Build market-based activity that captures near- and long-term energy and demand savings.
- Encourage equipment vendors and contractors to actively promote and install energy efficient technologies for their C&I customers.

To assist C&I customers in reducing their electric energy costs, the GoodCents team provides program participants with technical assistance accessible through Resource Managers working directly with their site as well as a toll-free customer service line.

The technical assistance can include helping to understand the return on their potential investments, answering general questions regarding the program, evaluating available program incentives, verifying program eligibility, and/or

connecting them with potential local installation contractors that are familiar with and participating in the program. Active Programs are being delivered in Indiana, Kentucky, North Carolina, Ohio, South Carolina, Virginia and West Virginia.

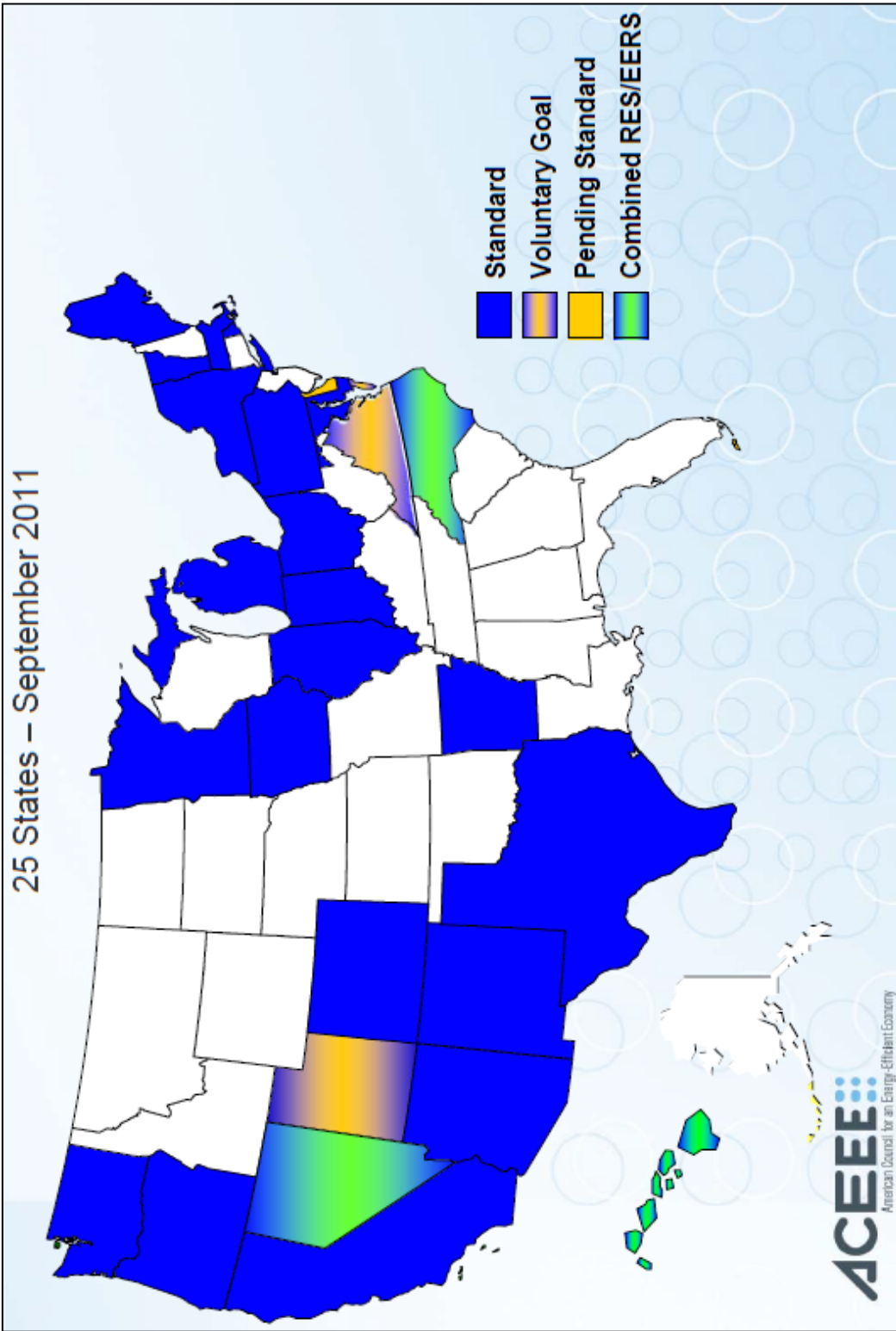
Rebate Programs

The goals of the rebate program offered by GoodCents are to provide Utilities and their customers with an avenue to reduce energy and demand requirements, save money on electric bills, and meet reduction goals set forth by state legislatures and commissions. To accomplish these goals, the GoodCents rebate program offers a complete turn-key offering from the marketing aspect through rebate check processing. Our rebate offerings can either be fully customizable or a standard prescriptive based program. Similar active programs as listed in the commercial energy assessments.

Conclusion

Similar to our efforts in Indiana, many other states have established their own Energy Efficiency Resource Standards. Once these goals and standards have been set they then developed the proper alignment between the state, regulators, local communities, Utilities, industrial and commercial businesses and the residential customers to drive towards their aggressive goals. This allows for the best thinking

to be put towards the market-based program requirements versus establishing federal prescriptive programs that become difficult to realize ultimate success. Costs of these programs go through the regulatory system for proper review and inclusion in the local rate structures. The market ultimately drives the programs, participation and returns once the standards are established.



Energy Efficiency Resource Standard Map from ACEEE (www.aceee.org)