

FOR RELEASE ON DELIVERY
Expected at 9:30 a.m.
Friday, March 13, 1981

STATEMENT OF
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BEFORE THE
SUBCOMMITTEE ON ENERGY DEVELOPMENT AND
APPLICATIONS, HOUSE COMMITTEE ON SCIENCE AND TECHNOLOGY
ON
RESIDENTIAL ENERGY CONSERVATION OUTREACH ACTIVITIES
AND THE ENERGY EXTENSION SERVICE



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Mr. Chairman and Members of the Subcommittee:

We welcome the opportunity to be here today to discuss our recent report on residential energy conservation outreach activities. We understand that the Subcommittee is examining the Department of Energy's (DOE) energy conservation and solar information dissemination and outreach programs with particular emphasis on the Energy Extension Service (EES). Our report discusses outreach activities as they relate to the achievement of residential energy conservation.

OVERVIEW

Before discussing our report, I would like to comment briefly on the administration's fiscal year 1982 budget proposals in the energy conservation area and also identify some related work completed and underway on the dissemination of solar energy information. We are furnishing copies of these reports and our views on the budget proposals for the record.

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Last week the Comptroller General testified before the House Budget Committee on the administration's fiscal year 1982 budget proposals. As part of that effort, we summarized and have made available to this Subcommittee, our views on many of the energy proposals.

With respect to energy conservation, the proposals reflect a major shift in the Federal Government's role by eliminating or substantially reducing resources committed to Federal energy conservation programs. When considering these proposals, we believe three significant factors need to be recognized. First, energy conservation is in the best interest of the Nation--often in excess of the value indicated by market prices. Second, energy conservation can make a direct contribution to reducing the Nation's dependence on imported oil. Third, significant potential to increase the efficiency of energy use continues to exist.

Despite substantially higher energy prices over the past few years, the Nation has still failed to alleviate its vulnerability to supply disruptions. We believe this situation, along with the significant potential for increasing energy efficiency, indicates a continued Federal need to facilitate and supplement market forces to assure that increased energy conservation is achieved in a timely manner.

In the area of solar information dissemination, we issued a report 1/ in August 1980 in which we noted that the Solar Energy Research Institute appears to have information dissemination

1/"Solar Energy Research Institute And Regional Solar Energy Centers: Impediments To Their Effective Use," (EMD-80-106, Aug. 18, 1980).

responsibilities that duplicate those of the regional solar energy centers. Some of our ongoing work is examining this issue in more detail. Specifically, we are exploring DOE's overall solar information dissemination activities, including those aimed at developing and maintaining various data bases. Our preliminary audit work indicates there is considerable duplication of effort not only between the Institute and the regional centers, but also among a wide variety of other DOE organizations. We expect to issue a report on these matters in early summer.

CONTRIBUTION OF OUTREACH

We recently issued a report on energy conservation outreach. ^{1/} We undertook this work because substantial opportunities exist for residential energy conservation. According to DOE and the Office of Technology Assessment up to 50 percent of energy consumed in this sector could be cost effectively saved. DOE efforts to achieve this potential focus on outreach.

Outreach is the process of encouraging consumers through information to voluntarily implement energy conservation measures. Consumers' awareness of available energy conservation opportunities is important in their decisions to implement energy conservation measures. If consumers do not have and are not effectively provided comprehensive information, the extent to which they can or will realize available conservation opportunities will be limited.

^{1/}"Residential Energy Conservation Outreach Activities--A New Federal Approach Needed," (EMD-81-8, Feb. 11, 1981).

The overall objective of our work was to examine DOE's role in providing energy conservation outreach. To meet this objective we addressed three central questions

- how can outreach best motivate consumers to act;
- what outreach techniques are used and emphasized by DOE and how well are its outreach programs managed;
- and
- how effective are DOE efforts in meeting consumer information needs in view of non-DOE activities and optimal methods of providing outreach.

Our findings with respect to these questions led us to conclude that DOE needs to refocus its outreach efforts.

Numerous outreach studies, including the pilot EES program evaluation, have shown that combining individualized information with personalized delivery of that information meets consumers' information needs in a way that is most likely to result in implementation of conservation measures.

For example, DOE found in its pilot EES program that as (1) the information provided on energy conservation options became more comprehensive and more tailored to specific individuals and (2) the delivery of that information became more personalized (approached face-to-face delivery), energy savings increased. Other research supported this finding showing that on-site energy audits resulted in greater energy savings per individual than other methods of outreach including energy audits which did not include on-site visits.

MANAGEMENT OF OUTREACH PROGRAMS

We found that DOE's outreach programs were poorly managed and placed undue emphasis on providing limited, general information to as many consumers as possible. Specifically, DOE outreach efforts had not been integrated into a cohesive program strategy. Instead, DOE was carrying out or funding outreach programs without regard to how each related to the others or contributed to meeting overall conservation objectives. For example, we found that procedures for approving State Energy Conservation Program (SECP) and EES outreach activities at the State level emphasized budgetary and administrative practices with virtually no mechanism to assure that programs were effectively meeting consumers' information needs.

Moreover, we found that DOE had devoted inadequate resources to the critical area of program evaluation; and in limited cases where evaluations were conducted, the results were apparently not applied. For example, DOE's emphasis on providing general energy conservation information to consumers is inconsistent with the findings of the pilot EES program mentioned earlier.

It was also unclear how DOE outreach activities complemented non-DOE efforts. Utility companies, community organizations, and other Federal agencies were providing general energy conservation information to consumers. Since most DOE programs provided similar information, they appeared to add little to meeting the information needs of consumers.

ENERGY EXTENSION SERVICE

The Congress expected EES to play a major role in Federal outreach, and in fact, it was established to solve many of the problems I have just mentioned. However, our work showed that EES, as implemented on a nationwide basis, was falling short of its intended purpose, at least with respect to its residential outreach functions.

First, we believe the organizational status required by the enacting legislation demonstrated the importance and expectations the Congress placed on EES by providing it a high degree of independence and visibility. However, its organizational status within DOE is not equivalent to that intended. In fact, during the past year, its role and visibility was further diluted when it was merged with the SECP program office.

Second, we found that many State-proposed EES projects approved for funding simply continued activities previously funded under SECP. As previously mentioned, these efforts were similar to activities being carried out in the private sector. Finally, we found that the coordination function, which was an important purpose of EES, was receiving limited attention by both DOE headquarters and regional offices as well as the States. For example, DOE in June 1980 established the Conservation and Solar Energy Steering Committee with functions which appear to overlap the congressionally mandated coordination role of EES.

Although DOE program regulations required that State EES programs coordinate with ongoing outreach efforts, several of the State plans we reviewed did not comprehensively address this

element. For example, in some cases the plans' coordination was simply a listing of other major outreach programs, and even these listings were not complete. However, such plans were approved for funding by DOE regions.

RESIDENTIAL CONSERVATION SERVICE

Although we found problems with many of DOE's outreach efforts, we believe the Residential Conservation Service (RCS) has potentially significant benefits as an outreach program because of its on-site energy audit feature. This congressionally mandated program requires most utilities to offer comprehensive on-site energy audits to consumers. DOE estimates that this program, scheduled to be implemented nationwide this month, will offer audits to nearly 95 percent of the residential sector. In addition to other advantages, RCS offers additional benefits to consumers including quality assurances such as auditor training requirements, material and service warranties and post-installation inspections, as well as arranging installation and financing of recommended measures.

Given the results of our work on DOE's existing outreach efforts, we are concerned that the Department has not established an appropriate role for the RCS program in its outreach strategy. We understood that the administration's fiscal year 1982 budget proposal eliminates funding for RCS. In our view, that proposal could result in a fragmented assortment of residential conservation programs unequal in application, quality, or comprehensiveness. Ultimately, this strategy could lead to many years of delay in closing the gap between energy conservation achieved and energy conservation opportunities still available.

CONCLUSIONS

Just as conservation can contribute to resolving the Nation's energy problems, effective outreach can contribute to achieving available residential energy conservation opportunities.

From the Federal Government's perspective, its role in outreach must, in our view, first recognize the knowledge consumers need in order to make informed energy conservation decisions and the extent that such needs are being met through outreach provided from non-Federal sources. It must then design and implement a strategy which focuses on meeting those needs in a way that can be expected to result in the greatest amount of energy savings.

In our view, DOE should change the overall thrust of its residential outreach efforts from one which focuses on providing limited energy conservation information to as many consumers as possible to one which is centered around encouraging residential consumers to obtain on-site energy audits. Because of its on-site energy audit feature, the Residential Conservation Service should be the key program in this strategy.

The Energy Extension Service can also contribute to DOE's residential outreach effort. The program, as conceived, is a potentially valuable mechanism for effectively coordinating Federal and non-Federal outreach and assuring that residential consumers are provided the capability to make and implement informed energy decisions.

Finally, our review supports the administration's general position that many DOE information programs are contributing little to meet the needs of consumers--especially in light of

non-Federal activities. However, we believe that DOE can and should play an important role in enhancing the success of conservation through selectively reducing and refocusing current outreach programs in the manner discussed above.

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That concludes my statement, Mr. Chairman. We will be happy to respond to questions.