



PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence

DATE: August 11, 2023
BOARD MEETING DATE: August 24, 2023
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Board of Directors
FROM: Gwen Rose, Director of Marketing and Community Relations
SUBJECT: Review and Implications of Customer Research on Brand Awareness and Attitudes About Energy, Climate, And Electrification (Discussion)

RECOMMENDATION

No Action Recommended. Discussion only.

BACKGROUND:

Peninsula Clean Energy's mission is to reduce greenhouse gas (GHG) emissions by expanding access to sustainable and affordable energy solutions. In service of that mission, the Marketing and Community Relations team is tasked with elevating Peninsula Clean Energy's brand reputation as a trusted leader in the community and the industry, and educating and engaging stakeholders in order to inspire action and drive program participation.

Furthermore, in September 2021, the Board adopted a new target supporting the region in reaching 100% decarbonization in buildings and transportation by 2035, and directed staff to analyze the feasibility of that target and return with an assessment and plan. Among the critical challenges to meeting that goal are building public awareness and motivation, and making it easy to take action.

Achieving these goals requires understanding our diverse customer base and how to best reach them. To this end, Peninsula Clean Energy has a robust customer research initiative in place that uses quantitative and qualitative sources of data that examine residential attitudes and barriers to awareness and action. The cornerstone of this customer research initiative is an annual survey, which surveys a randomized sample of San Mateo County and Los Banos residents about the following:

- Peninsula Clean Energy brand
- Attitudes about climate change and electricity priorities
- Benefits, obstacles to adoption, and interest in electric vehicles (EVs)
- Benefits, obstacles to adoption, and interest in home electrification

This memo provides a summary of key findings and implications for brand strategy and marketing campaigns to motivate action on decarbonization.

DISCUSSION:

Approach

Peninsula Clean Energy’s marketing team uses quantitative and qualitative sources to inform our understanding of our diverse customer base. Through one-on-one interviews, verbatim comments, and feedback from focus groups and community workshops, themes emerge that we can test and validate through our annual online survey, which is taken from a randomized sample of our entire service territory.

The annual perception survey was designed and conducted by Hiner & Partners, Inc. A letter invitation from the County of San Mateo Office of Sustainability (OOS) was mailed to a random sample of 23,150 San Mateo County residents. A similar letter invitation from the City of Los Banos was mailed to a random sample of 10,700 Los Banos customers. This sample included customers and non-customers of Peninsula Clean Energy. The letter, printed in English and Spanish, invited recipients to respond to a self-administered online survey offered in English and Spanish. Letter recipients were offered an incentive for two winners of \$500 and 20 prizes of \$100 each. The response rate to the invitation was 7.45% (7.43% response in San Mateo County and 7.5% in Los Banos). Participants were offered the opportunity to complete the survey over the phone and 5 of them chose to do so. The online survey took an average of 27 minutes to complete. Surveys were completed between April 4 and May 05, 2023.

The final sample was normalized to better reflect the population characteristics of the two geographies (San Mateo County and Los Banos). Non-customers were sampled down to reflect their proportion in the general population. Weights were applied to reflect census demographics for each geography’s ethnicity proportions and the sample was randomly reduced to achieve the known proportion of EVs in San Mateo County (15.1%) and in Los Banos (3.3%) based on California Department of Motor Vehicles registration data. This resulted in a final, normalized sample size of **2,102**. The margin of error for the (unweighted) San Mateo sample of 1,721 at the 95% confidence level is +/- 2.3% and for the (unweighted) Los Banos sample of 802 at the 95% confidence level is +/- 3.4%. Up arrows in green and down arrows in red indicate statistically significant differences between data points.

Throughout this report, the sample size for each chart is indicated by “N=.” For example, N=500 would indicate that 500 respondents answered a particular question. Where samples for each geography are noted, they are in the format of “San Mateo County sample / Los Banos sample.”

San Mateo County Participant Profile

The normalized participant profiles generally align with Census data for San Mateo County.

	Survey Sample			
Self Identified Race	2021	2022	2023	Census**
White	37%	37%	37%	39%
Asian / Pacific Islander	29%	29%	30%	31%
Hispanic	25%	25%	24%	24%
Other	9%	8%	9%	6%

Age	2021	2022	2023	Census*
18 – 34	17%	15%	17%	83.4%
35 – 44	26%	20%	19%	
45 – 54	19%	20%	20%	
55 – 64	17%	20%	18%	
65+	21%	24%	25%	16.6%

Home Ownership	2021	2022	2023	Census*
Owner	55%	64%	57%	60%
Renter	44%	35%	42%	40%

Income	2022	2023	Income	Census*
Less than \$50K	34%	35%	Below \$64,567	50%
\$50K to less than \$100K	39%	39%		
\$100K to less than \$150K	15%	18%	Above \$64,567	50%
\$150K to less than \$250K	10%	7%		
\$250K+	1%	1%		

A substantial number of apartment and condo dwellers responded to the survey.

Dwelling Type	Survey	
	2022	2023
Detached Single Family Home	84%	88%
Unit in a Larger Building (Duplex, Apt, Condo)	7%	6%
Accessory Dwelling (Granny flat, in-law unit)	1%	1%
Other	2%	1%

* Source: [US Census Bureau](#)

Los Banos Participant Profile

The normalized participant profile generally aligns with the Census data for Los Banos.

Self Identified Race	Survey		Census*
	2022	2023	
White (not Hispanic)	18%	16%	20%
Asian / Pacific Islander	2%	2%	3%
Hispanic	70%	70%	71%
Other	9%	12%	6%

Age	2022	2023	Census*
18 – 34	19%	18%	89.7%
35 – 44	26%	24%	
45 – 54	19%	21%	
55 – 64	18%	17%	
65+	17%	19%	10.3%

Home Ownership	2022	2023	Census*
Owner	67%	66%	57.3%
Renter	31%	31%	42.7%

* Source: [US Census Bureau](#)

The vast majority of Los Banos participants were dwellers in single family homes, reflecting the preponderance of dwelling types in that jurisdiction.

Dwelling Type	Survey	
	2022	2023
Detached Single Family Home	84%	88%
Unit in a Larger Building (Duplex, Apt, Condo)	7%	6%
Accessory Dwelling (Granny flat, in-law unit)	1%	1%
Other	2%	1%

Findings

Brand Awareness

From the annual survey, 41% of **San Mateo County** respondents were aware that Peninsula Clean Energy is an energy provider from whom they can purchase electricity for their home. This “total awareness” (aided plus unaided) was flat between 2022 and 2023, while representing a statistically significant increase from the 31% captured in the 2021 survey. Unaided awareness (Peninsula Clean Energy listed by respondent, without prompting, as an energy provider) was 15%, a slight but statistically insignificant increase from the 2022 survey.

Across the base of **San Mateo County** respondents, 25% had a favorable perception (and 73% were not sure). This compares favorably to our 2022 rating, which was 22% favorability (and 75% unaware).

In Los Banos, metrics improved dramatically in the 2nd year of service. We went from 14% in 2022 to 33% in 2023 of **Los Banos** respondents were aware that Peninsula Clean Energy is an energy provider from whom they can purchase electricity for their home. Unaided awareness was measured at 9%, which compares favorably to the unaided awareness in San Mateo County in 2017, which was measured at 3% at that point in time.

Across the base of **Los Banos** respondents, those who had a favorable perception is 16% in 2023 (or 48% of those who are aware of Peninsula Clean Energy), a significant increase from 4% in 2022 (or 30% of those who are aware of Peninsula Clean Energy).

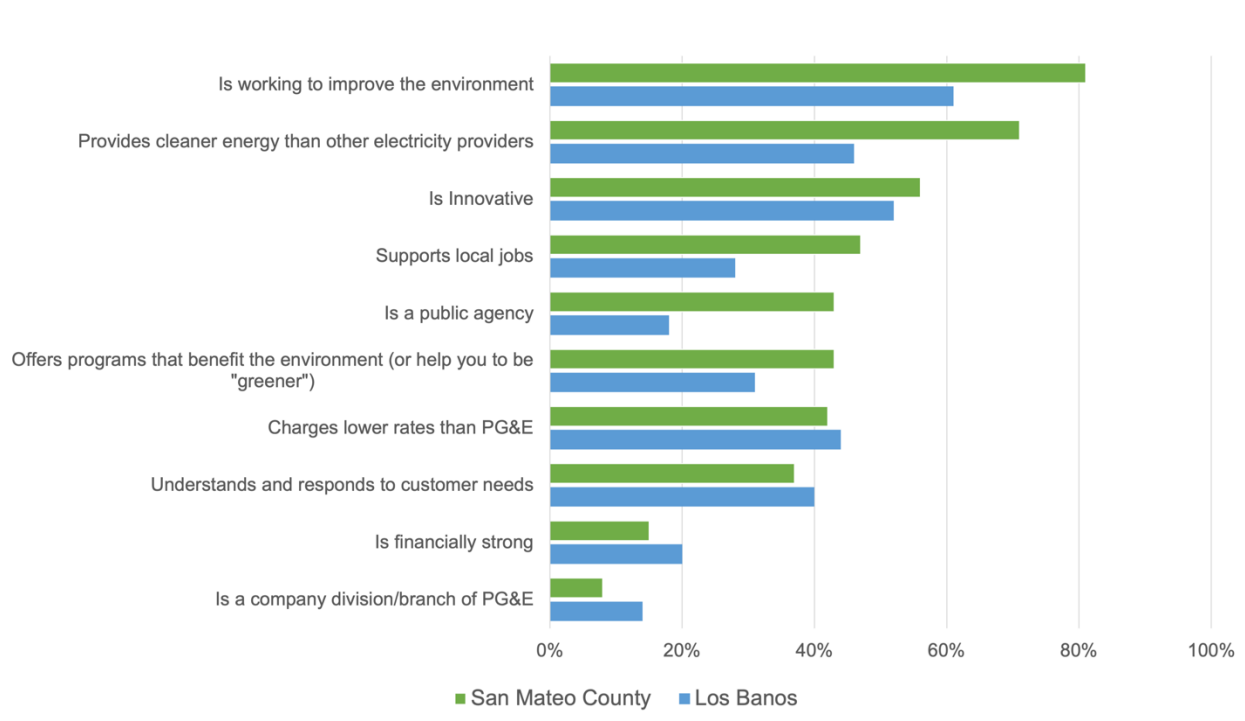
Brand Perception

We ask a series of questions to understand how well residents in our service territory associate Peninsula Clean Energy with our key messages around clean energy, lower rates and community reinvestment.

The graphs below compare the ratings of San Mateo County residents with those of Los Banos residents. Performance in San Mateo County has remained consistent with the previous two annual surveys. Note that the arrows indicate significant differences between San Mateo County and Los Banos at the 95% confidence level. Perceptions of Los Banos residents align with those of San Mateo County residents except regarding the “non-profit agency” and “charges lower rates than PG&E.” The latter perception reflects our emphasis on this message in our Los Banos enrollment communications.

Question: For each statement, please indicate if you think it is true or false about Peninsula Clean Energy.

Base: Aware of Peninsula Clean Energy, N = 532/ 252



Note that a substantial portion of respondents are “not sure” about these attributes. The small percentage that are unfavorable tend to not know whether these are true or false about Peninsula Clean Energy, whereas their favorable counterparts more often have an opinion. This suggests the lack of favorability is due to a lack of familiarity.

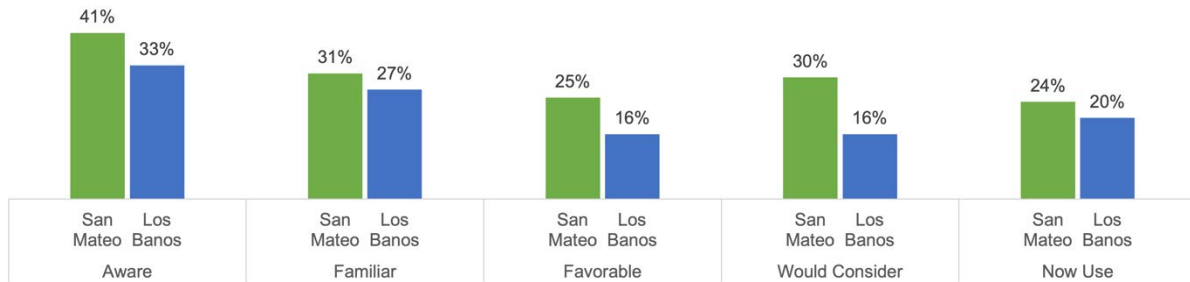
Persuasion Monitor™

The concept of Persuasion Monitor deconstructs the stages of persuasion to look at where improvements are needed. These are a type of “funnel metrics” in which each subsequent stage of the funnel is dependent on the preceding stage. So, customers typically become aware before they are familiar and usually register favorability after familiarity, etc.

Looking at the differences between each stage of these metrics helps identify where our messaging and marketing is on track and can indicate where improvements could be made. So, for example, a large cliff dropping off from awareness to familiarity would indicate that our messages are not resonating with the residents. Similarly, a large dropoff between familiar and favorable, would indicate that customers may not trust or believe the claims we are making or are judging us unfavorably. Peninsula Clean Energy’s persuasion metrics do not exhibit such dramatic declines from stage to stage. This would indicate that our messaging is on track but that our reach is not broad enough or frequent enough to generate the awareness that we are seeking (strategic target of 60% by 2025).

Persuasion monitor questions 1-6 covering awareness, rankings of familiarity, favorability, consideration and whether currently using.

Base: Total Sample (N = 1320 / 782)

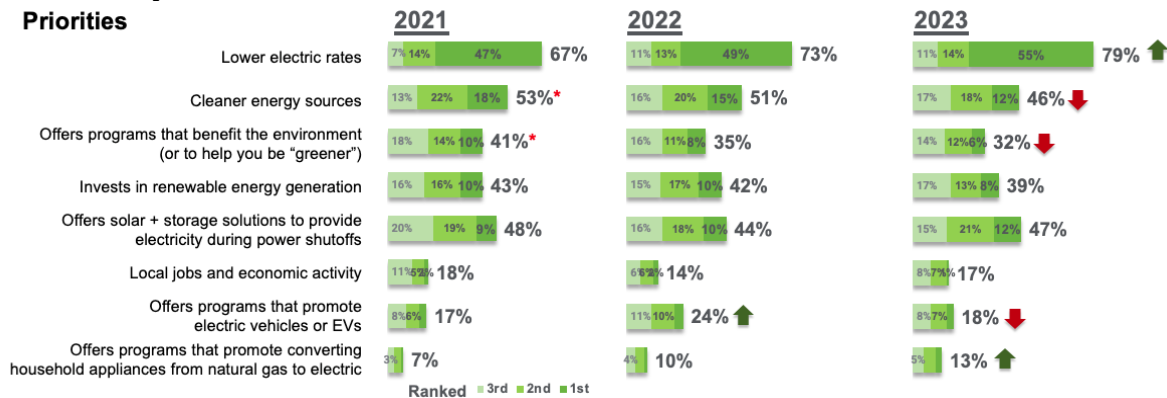


Resident Priorities

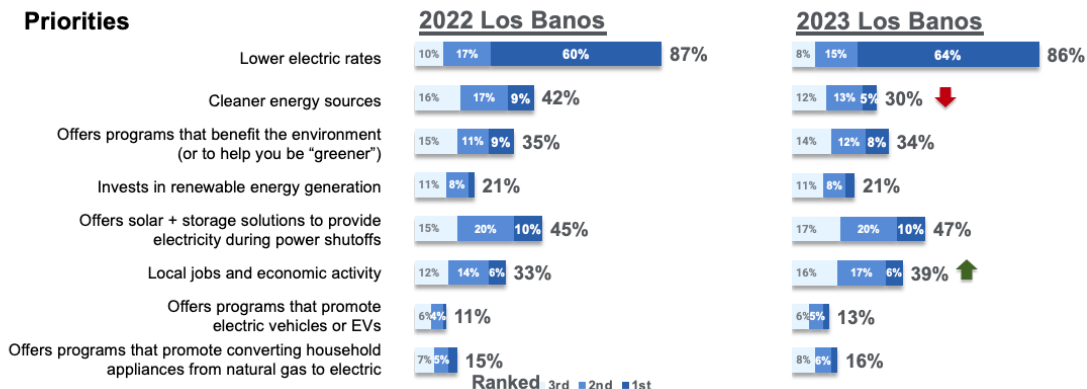
High electricity rates are increasingly on the mind of our customers. When asked about the top three advantages of importance for an electricity provider, 55% of **San Mateo County** respondents and 64% of **Los Banos** respondents choose “lower electric rates” as the top priority. In general, we observe a trend of increasing interest in lower electric rates, declining interest in cleaner energy sources and programs that help the environment, and increasing interest in programs that assist customers in controlling costs, including appliance rebates and solar + storage.

Question: If a provider of electricity to your home could offer all the advantages listed below, which three would be most important to you?

San Mateo County Priorities



Priorities



Arrows indicate statistically significant difference between San Mateo County and Los Banos at the 95% confidence level.

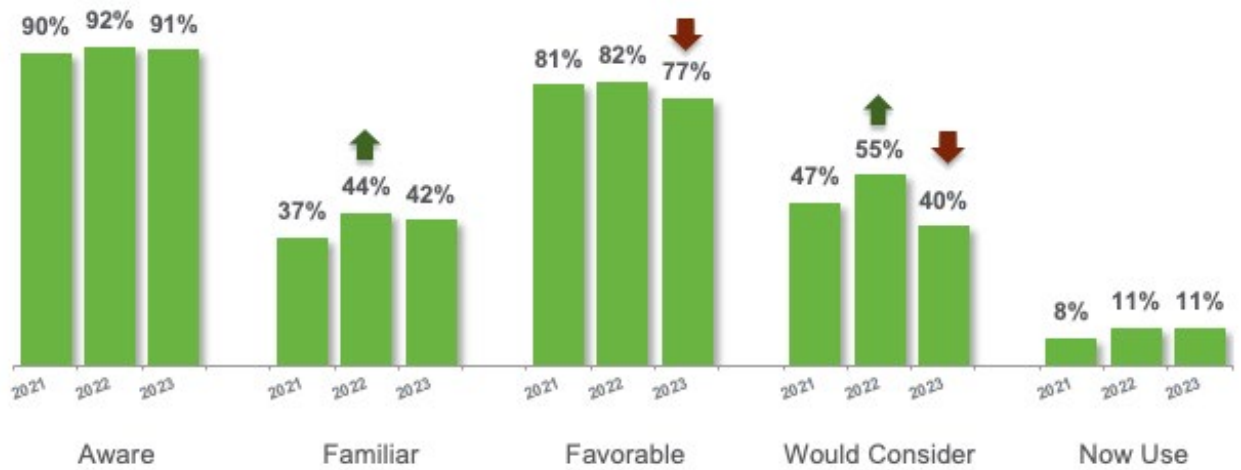
Electric Vehicle Awareness and Perceptions

There was a dip in favorability from 2022 to 2023 in **San Mateo**, though it is still generally high at 77%. There was a dip in willingness to consider from 55% to 40%. Note that low familiarity alongside the high awareness indicates a need for more substance in communications, such as range/price/operating cost details to overcome barriers.

EV Persuasion Monitor – San Mateo County

Questions: Before seeing this list, which of the electric vehicle types listed below had you heard of, as being available today in San Mateo county? and How familiar would you say you are with the various types of electric vehicles that are available now? and What is your opinion of electric vehicles? and Which of the following types of vehicles are currently owned/leased by members of your household, including yourself? Please check all that apply.

Base: Total Sample 2021/2022/2023 (N = 509 / 1,326 / 1,320)

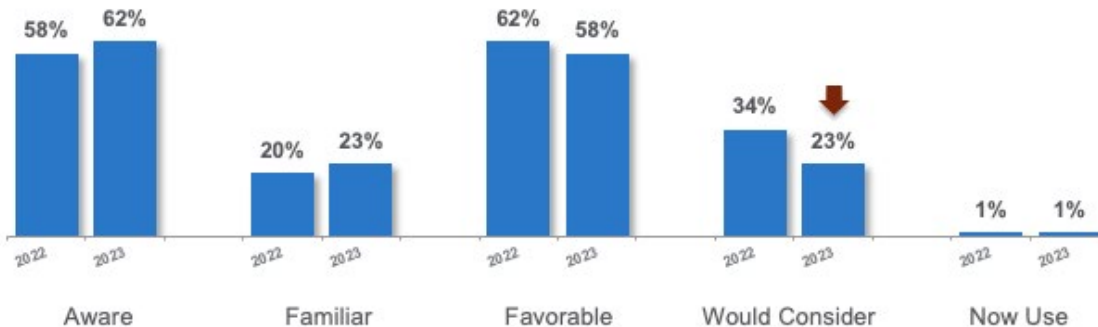


Arrows indicate statistically significant difference between 2023 and 2022 data at the 95% confidence level.

Among **Los Banos** respondents, the EV persuasion metrics are lower across the board but still exhibit the same dropoff from awareness to familiarity as is the case in **San Mateo County**. This implies that more substance in communications is needed as well as methods to improve awareness of the benefits of EVs. The dip in willingness to consider EVs that was recorded in San Mateo also shows up in Los Banos. That said, one-quarter of Los Banos residents say they would be willing to consider one of these vehicles.

EV Persuasion Monitor – Los Banos

Base: Total Sample: (N = 938 / 782)



Arrows indicate statistically significant difference between San Mateo County and Los Banos at the 95% confidence level.

Next Household Vehicle

One in five (21%) plan to buy a vehicle within a year. In 2022, 57% of San Mateo residents said their next vehicle was likely to be an EV. This incidence dropped to 40% in 2023. It also dropped in Los Banos from 34% to 23%.

Place to Charge an EV

Across all respondents in San Mateo County and Los Banos, more than 2/3's claim they have a place to plug in, which is relatively flat compared to 69% in the 2022 survey but still substantially above 56% in 2021. This incidence is higher among higher income groups and those who live in a single-family dwelling. About half report that there is a public charging station convenient to their home or work.

Across all residents, more than 2/3's (67%) claim they have a place to plug in – an incidence that rises with household income and dwelling type. In 2022, there was an increase in those saying there was a public charging station convenient to their home. That higher incidence did not further change in 2023.

Despite a clear step back from resident's willingness to consider EVs, the primary barrier to greater acceptance is familiarity. Communications should focus on addressing this familiarity gap.

Building Electrification Awareness and Perceptions

San Mateo residents are increasingly embracing electric home appliances, with persuasion metrics improving between 2020 and 2023. Awareness that there are electric options for ranges, space heating, and water heating ranges between 81% and 94%. Favorable opinions of these options has improved for all these appliances and ranges between 46% and 60%. Willingness to Consider has also improved for all these appliances and ranges between 32% and 42% while Now Use for these electric appliances is mostly flat.

Movement has also occurred in **Los Banos**, though not as substantial. Focus is needed on building favorable opinions of electric appliance options. Awareness of electric options is high but favorable opinions of these options is only moderate indicating an need for education and demonstrations. Now use of electric options for these appliances has yet to move.

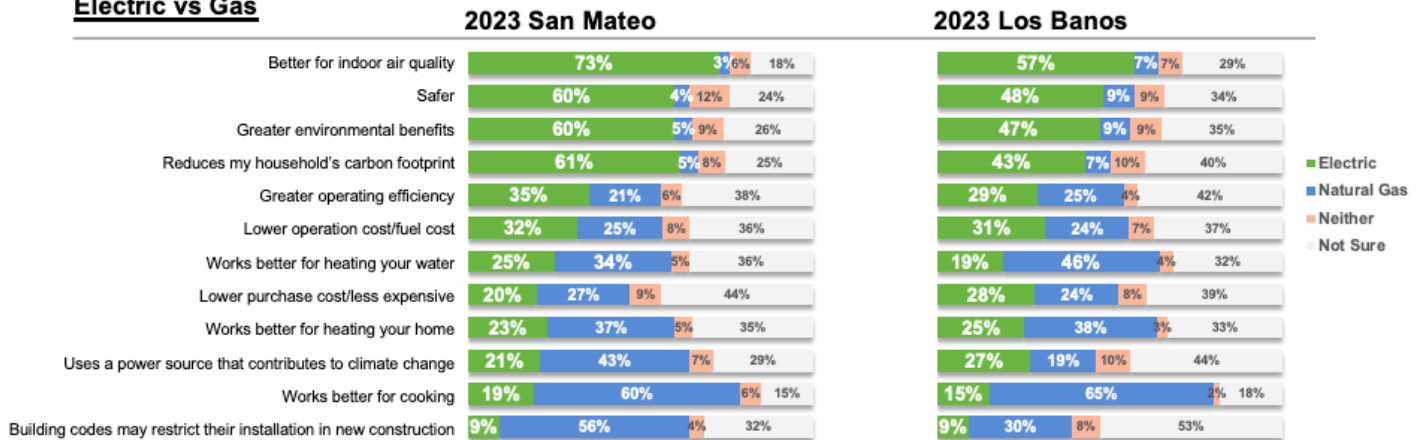
Natural Gas versus Electric Appliances

Residents in both markets agree that the top 4 statements about indoor air quality, safety, environmental benefits and carbon footprint better apply to electric appliances - just 18% to 40% are unsure.

Gas appliances are seen as better for cooking (60% vs 19% for electric in San Mateo; 65% vs. 15% in Los Banos).

Residents are divided on which is best in operating efficiency, operating costs, and initial purchase price.

Electric vs Gas



Implications for Marketing

While total awareness has increased compared to the 2021 survey, there is still a long way to go to reach our target 60% awareness. In addition to that, qualitative customer comments indicates that we have some opportunities to strength the connection between the benefits and services we offer to customers in ways that will improve awareness, familiarity, and favorability metrics.

We are now in the process of conducting a brand audit and assessing the need for a brand strategy that can help us communicate consistently and cohesively about our organization, programs, and services in a way that resonates with our diverse customer base.

Furthermore, a strong brand is central to our ability to deliver messages that customers will trust about electrification and decarbonization. To meet our 2035 goals for building electrification, more robust program infrastructure is proposed to address customer barriers and make the switch easier. The Marketing team is working with programs and the rest of the organization to lay the foundation for building durable relationships with our customers by meeting them where they are and providing relevant content and messaging.