



Concurrent Session A

Leverage ENERGY STAR and Program Sponsors in a New Era

2008 Lighting Partner Meeting

The Perfect Storm



- Energy Prices Continue to Soar
- Climate Change is Mainstream
- 2007 Energy Bill
- Energy Security
- RGGI – CO2 Cap & Trade regimes
- Energy Efficiency as the Fifth Fuel
 - Growing demand for power plants...also growing need to justify



Bruce Johnson, Director of Energy Efficiency Implementation, National Grid

“Right now this **resurgence seems to be sustainable**, primarily because it’s not entirely related to the regulatory environment. **Climate change** is going to be on **our conscience for the foreseeable future.**”

Jeff Lyash, President and CEO, Progress Energy Florida

“For the first time in decades, **people are thinking about the cost and environmental impact of energy usage.** It is now regularly covered in the mainstream media, a key subject of presidential debates, and a topic of discussion in places from classrooms to coffee shops.”

Ted Schultz, Vice President of Energy Efficiency, Duke Energy

“Clearly, **energy efficiency has staying power** with the current issues around climate change. We’ve never been in a position like this before...we have **a great opportunity to make energy efficiency a norm for all our customers.**”

The Time is Right

Energy Efficiency and Global Warming



- **82% of Americans believe in global warming,** and there is widespread belief that human behavior is contributing to the problem.

Fox News/Opinion Dynamics Poll, Spring 2007

- **Majority believe immediate action needed**

NY Times/CBS Poll, April 2007

- **86% would choose one home over another** based on its energy efficiency.

Shelton Group/Energy Pulse, 2006

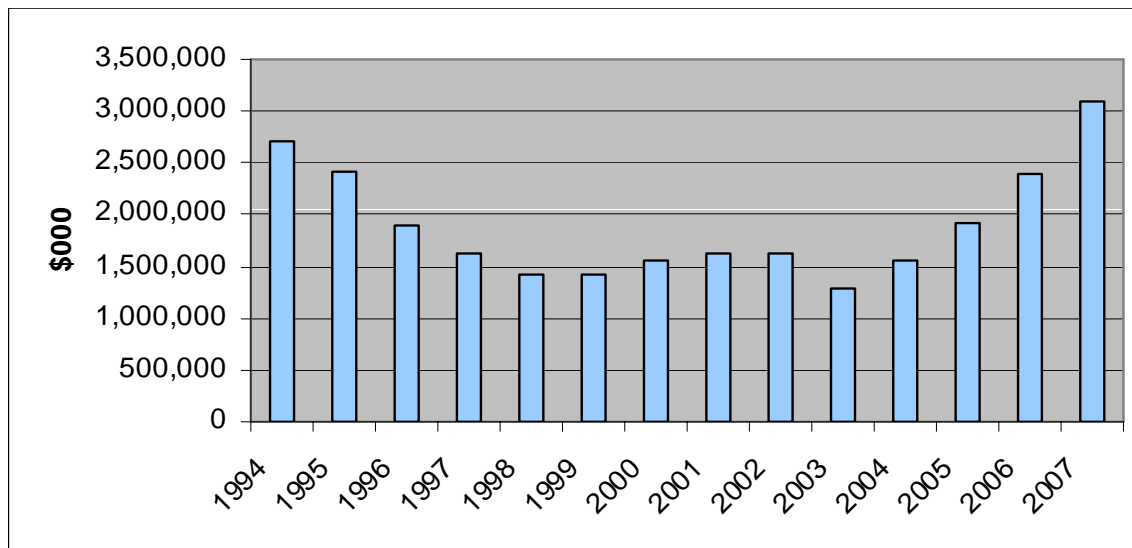
- **63% say change their consumption habits** based on increase in energy prices.

Shelton Group/Energy Pulse, 2006

Once-in-a-Lifetime Waves



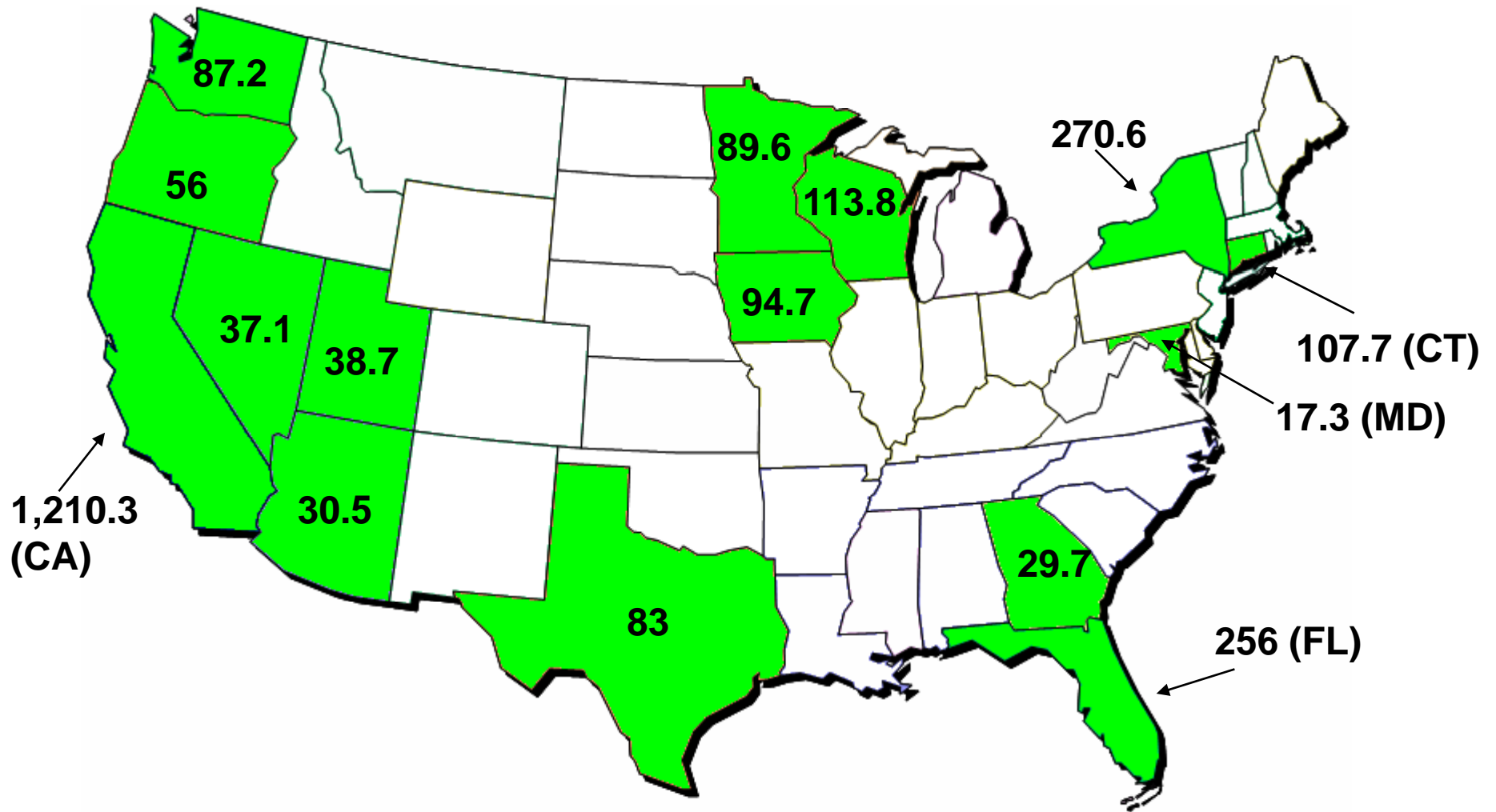
Annual Electric Utility Spending on Energy Efficiency



Will eclipse \$5B within several years!

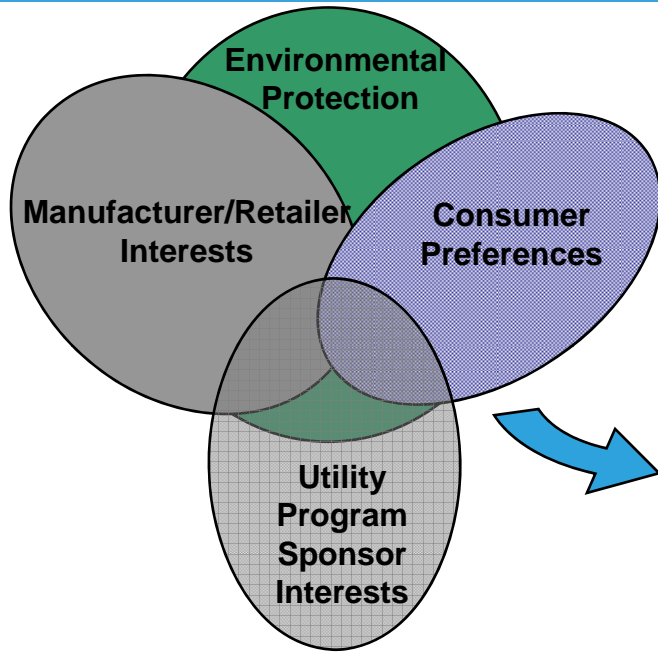
Many states could increase EE spending exponentially in the near term: IL, MO, MD, NC, SC, NM, OH, MI, VA, others?

Energy Efficiency Budgets (\$3.1 Billion in US)



Source: CEE U.S. ENERGY-EFFICIENCY PROGRAMS
A \$3.7 Billion US and Canadian Industry
2007 REPORT

Brand Success + EE Program Growth Builds Upon Intersection of Interests



ENERGY STAR Brand

Awareness



More than **73%** of U.S. households recognize the ENERGY STAR label.



Nearly **80%** awareness where there have been sustained ENERGY STAR promotions by local program administrators.

Purchase



More than **70%** of the U.S. households that knowingly purchased ENERGY STAR products in 2007 reported the brand label as influential to their purchasing decision.



Of the above 70%, nearly **85%** of them reported they are likely to recommend ENERGY STAR products to friends.

- **Immediate**
- **Cost-Effective**
- **No Sacrifice in Performance**

So, How Do You Fit In?

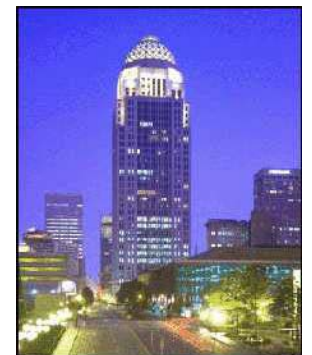


- Increased EE Program Funding = Increased Demand for EE Products & Services (+Education)
- Get Involved! Being here is a great start...
- 30% - 50% of low-cost EE resource disappears with the effective banishment of incandescent lamps – no obvious replacement
- Need much more effective integration of emerging technology into portfolios (white LEDs, smart devices)
- Need to consider the process technology as well as widget technology

Portfolio of Strategic Investments



- Define, educate, and promote on cost-effective energy/environmental savings through single designation: ENERGY STAR
- Residential initiatives
 - Efficient products
 - Efficient new homes
 - Existing home efficiency improvements
 - Affordable housing
- Commercial initiatives
 - Efficient products
 - Existing building efficiency improvement
 - Efficient new construction
- Industrial initiatives



Residential Products



Products that earn the ENERGY STAR® prevent greenhouse gas emissions by meeting strict energy efficiency guidelines set by the U.S. Environmental Protection Agency and the U.S. Department of Energy
www.energystar.gov



CHANGE FOR THE BETTER WITH ENERGY STAR

EPA managed products	DOE managed products
Appliances: <ul style="list-style-type: none"> • Dehumidifiers • Air Cleaners • Water Coolers 	Appliances: <ul style="list-style-type: none"> • Refrigerators/Freezers • Dishwashers • Room Air conditioners • Clothes Washers • Water Heaters*
Lighting: <ul style="list-style-type: none"> • Residential Light Fixtures • Decorative light strings 	Lighting: <ul style="list-style-type: none"> • CFLs • Solid State Lighting (SSL)
<ul style="list-style-type: none"> • Insulation & Roof products 	<ul style="list-style-type: none"> • Windows/doors/skylights
<ul style="list-style-type: none"> • Heating and Cooling 	
<ul style="list-style-type: none"> • Home Electronics 	
<ul style="list-style-type: none"> • Office Equipment 	
<ul style="list-style-type: none"> • Commercial Food Service 	
<ul style="list-style-type: none"> • Other Commercial Products 	

Program Sponsors are Pursuing



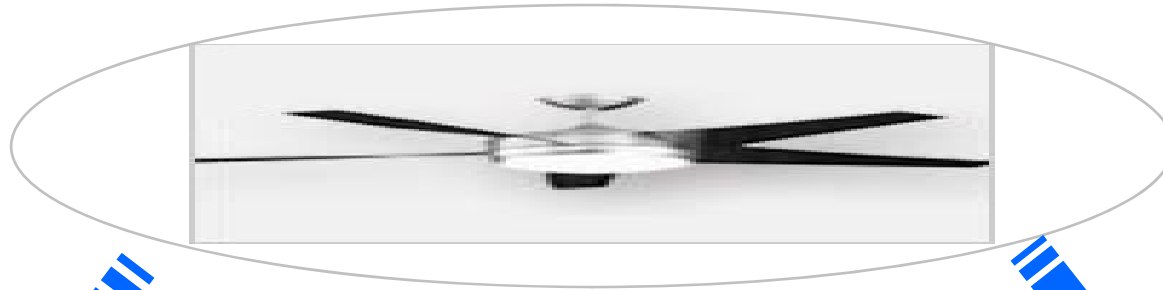
- Consumer education on the full suite of ENERGY STAR products (and related energy savings tips)
- Programs/incentives related to CFLs and fixtures/ceiling fans w/lights
- Refrigerator retirement and replacement with ENERGY STAR for some subsectors (e.g., lower income multifamily).
 - Retirement and recycling of second refrigerator more broadly
- Programs/incentives for clothes washers in some jurisdictions, particularly if water benefits can be accounted for in cost effectiveness tests
- Promotion of HVAC – coupled with quality installation and sizing
- Whole-house retrofit programs including Home Performance with ENERGY STAR

Examples of Working with Sponsors



**Leveraging ENERGY STAR -
Retailers / Manufacturers /
Distributors / Contractors**

Wisconsin Focus on Energy



Mail-In Rebate



Retailer

Instant Rebate



Showroom

Builder Incentives



Single family

Building Owner Incentives



Multifamily

Wisconsin Focus on Energy Working with Retailers and Showrooms



- Over 100 participating retailers statewide
- \$15 mail-in rebate
- Program's circuit riders provide high level of support:
 - Visit stores every 6-8 weeks
 - Affix accordion-style rebate form to ENERGY STAR qualifying products
 - Deliver in-store POP
- Showrooms - \$15 instant rebate
- One showroom champion has developed a dedicated "ENERGY STAR Room" to display energy efficient fixtures, and is offering a 25% off internet coupon for all ENERGY STAR fixtures through March 2008.

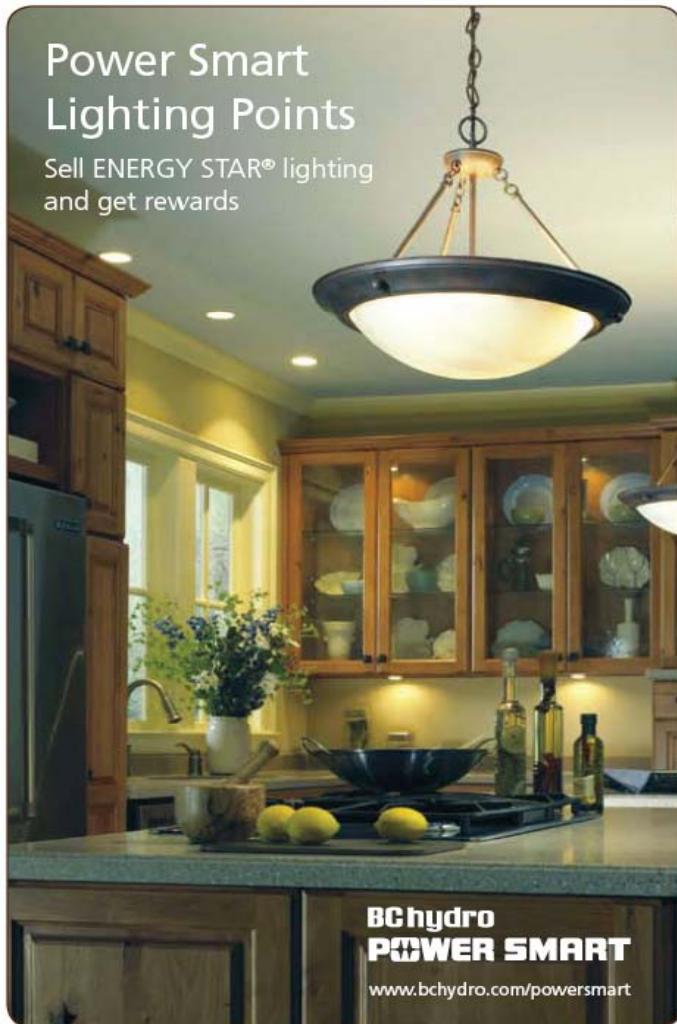
Wisconsin Focus on Energy Working with Builders and Multifamily



- **Builder incentives**
 - \$75 for installing package of 5 ENERGY STAR qualified fixtures
- **Builder training**
 - Training on ENERGY STAR Advanced Lighting Package offered in February 2008
- **Retrofit: Multifamily**
 - Building owners receive \$30 per fixture for lighting retrofits
- **New Construction: Multifamily**
 - Owners/developers receive \$30 per fixture for in-unit lighting
 - Custom incentives available for common area lighting

BC Hydro – Power Smart Lighting

Working with Manufacturers and Showrooms



- A “points reward” type program that gives the contractors, distributors, builders, or showroom sales staff points for receiving education or selling ENERGY STAR fixtures
- 1 point = \$1 value redeemable for gift certificates with partner companies (Starbucks®, vacation areas, etc.)
 - Points assigned based on # of fixture sockets
- Manufacturers (e.g., Progress Lighting) and showrooms commit to contributions and have ownership in the success

Partnership Contributions

- Sales SPIFFS’ (Manage & Admin) - BC Hydro
- Energy Star Fixture Introductory Discounts - Manufacturers
- Showroom Display Space 10’ x 10’ - Showrooms
- Energy Star Fixtures for Display area - BC Hydro & Manufacturers
- Co-op Advertising - BC Hydro & Showrooms
- Home Show / Industry Event Displays - BC Hydro



Georgia Power Working with Retailers & Manufacturers



Georgia Sales Tax Holiday



Georgia Power will be sponsoring an ENERGY STAR event at this The Home Depot store.

Visit our interactive displays. Speak to an ENERGY STAR representative.

Save Energy & Money. Buy ENERGY STAR products.



- 2 events at Atlanta The Home Depot stores
- Partnered with TCP Lighting, GE Appliances and Hunter Ceiling Fans
- Generated 1236% increase in CFL sales versus year-to-date average daily sales



NYSERDA - NY ENERGY \$MART Working with Retailers & Manufacturers



Industry Cooperative Promotions

- **Retailers**

- Dedicated Field Representatives provide in-store assistance
- Flexible co-op advertising incentives to retailers, multi-store retail chains and manufacturers to encourage broad promotion of ENERGY STAR products
- Assistance with product labeling and placement of free POP material
- Media recognition via NYSERDA print, radio and TV campaigns
- Align with NY Energy \$mart promotions

- **Manufacturers**

- Co-op funds for media advertising
 - Up to 25% of airtime or maximum of \$120K
 - Up to 50% of the cost of production for special promotions capped at \$120K
- Opportunities to create joint retailer promotions

Working with your Utility Partner



- Sales Data!
 - Be generous to your partner and provide information
 - Utilities need market share lift data to justify \$ spent
 - Implementers need sales data to satisfy contract terms
- Signage
 - Utility wants to see their signage on a product that receives rebates and not a generic “manufacturer’s instant rebate”
 - Let utility put up and maintain POS signage.
- Communication
 - Utilities plan months in advance for bill inserts, retailers and manufacturers should communicate in advance any problems with agreed upon promotions
 - Return phone calls even if there is no news, it is important to keep lines of communication open
- Co-branding
 - Ask before using a utility logo for promotional materials

In Closing, Taking it to the Next Level



- No time like the present – Surf’s Up!
 - Monitor the market
 - Borrow from successful programs/promotions and pilot new approaches
 - Foster relationships with program sponsors, manufacturers, retailers, contractors, and the community:
 - **March 11-12, New Homes Partner Meeting, Salt Lake City**
 - **April 1, ENERGY STAR Awards Ceremony, DC**
 - **April 7, Home Performance w/ENERGY STAR Partner Meeting, Pittsburgh**
 - **Week of Sept. 15, Appliance Partner Meeting, location TBD**
- Long-term commitment to its “Energy Efficiency/Conservation Culture”
 - Look inward – Benchmark your own facilities and portfolios
 - Seek out local EE program administrators for technical assistance and/or financial incentives
 - Collaborate and Educate – online and in-store energy centers, educational tools (ENERGY STAR @ Home – www.energystar.gov/home)