

**The Home Energy Makeover Contest:  
An Innovative Marketing Tool for  
Home Performance with ENERGY STAR<sup>®</sup>**

Draft Final

The Energy Makeover Contest is a new and creative way to promote energy efficiency. Contest organizers award a major energy efficiency retrofit to the winning contest participant in a highly visible demonstration. The home, chosen for its inefficiency, produces dramatic energy savings. Because the Energy Makeover Contest can be designed to specifically attract consumers to a whole-house approach, it is a promising promotional tool for existing Home Performance with ENERGY STAR programs. The contest also can be used as a tool to launch a Home Performance with ENERGY STAR program.

Several recent Energy Makeover Contests were reviewed in preparing this document:

- Xcel Energy and the Colorado Energy Science Center (CESC) have completed two contests and are beginning a third. Last year's contest attracted 16,000 applications and the winning homes reduced natural gas use by over 70%.
- The Colorado Springs Utilities conducted a contest in 2005 to spur interest in their new Home Performance with ENERGY STAR program.
- Delta Montrose Electric Association, in Western Colorado, worked with partners to conduct an Energy Makeover Contest designed to build consumer interest in energy efficiency.
- Otter Tail Power Company, which serves parts of Minnesota, North Dakota and South Dakota, recently selected the winners for their first Energy Makeover Contest.
- TRICON, a union construction industry association in Central Illinois, announced a Home Energy Makeover Contest in April.

This document outlines the benefits demonstrated by these Energy Makeover Contests, key elements of implementation, and the roles played by utilities, sponsors and third party administrators, and others. It concludes with short summaries of three Energy Makeover Contests.

## **THE BENEFITS OF AN ENERGY MAKEOVER CONTEST**

### **The Energy Makeover Contest is an effective communication tool.**

Typically, the primary goal of the Energy Makeover Contest is to disseminate an energy efficiency message. The contest helps attract media attention to home energy efficiency. Once the improvements are made, the added comfort and the often dramatic energy savings extend the story with a powerful and compelling energy efficiency message to area consumers.

### **The Energy Makeover Contest generates a list of pre-screened homeowners**

Homeowners, by entering the contest, have shown that they are interested in energy efficiency. They can be a receptive audience for other home energy efficiency offerings, such as additional guidance on efficiency measures or energy efficient products and announcements of workshops and classes for do-it-yourself improvements.

### **The Energy Makeover Contest generates leads for home performance contractors.**

The contest generates interest in home energy analyses and energy efficiency workshops. Contest sponsors and home performance contractors often attract inquiries directly from consumers who have entered the contest. Most Energy Makeover Contests have included some type of consumer workshop, which gives attendees an opportunity to meet sponsors and

contractors. A CESC workshop in the Denver area generated 93 leads for Energy Makeover sponsors.

**The Energy Makeover Contest fosters industry collaboration.**

Sponsors, including product manufacturers, retailers, and local energy efficiency companies, all work together to give the winning homeowners a whole-house makeover that produces the best results. The collaboration can also be extended to promotion and marketing.

**KEY CONSIDERATIONS IN IMPLEMENTING A HOME ENERGY MAKEOVER CONTEST**

**Sponsor Recruitment and Creating a Prize Package**

Because the products and services donated by sponsors are what attract homeowners to the contest, sponsor recruitment is key to having a successful contest. Generally, there are two methods for building a prize package: sponsors can donate all goods and services; or the contest organizer can purchase the measures outright. Both methods have been successful. However, when funding is available, purchasing the measures outright gives greater control over what is included in the package and installation quality.

**Contest Planning and Preparation**

Planning includes developing rules, a selection process, and a schedule. Laws governing consumer-oriented contests vary by state and should be reviewed when developing Energy Makeover Contest rules. Other areas that need to be addressed during the planning stage include eligibility, application deadlines and process, winner selection criteria, prize packages, and promotional efforts.

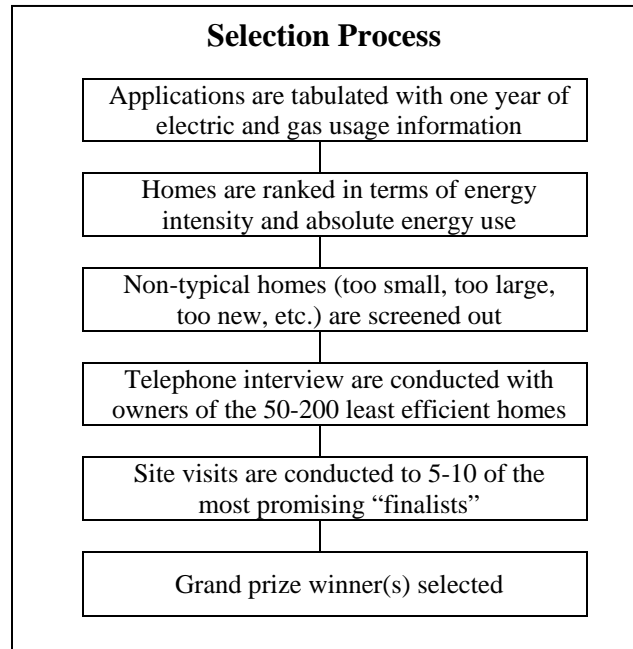
**Contest Promotion**

Home Energy Makeover Contests have used various methods to advertise the contest and attract homeowners. Utility bills often provide a cost-effective opportunity to solicit applications and to promote the contest results. This can be done with a special insert or with an article and application form in the utility newsletter that accompanies the bill. A variety of other promotional tools can augment the utility bill, including print and television advertisements, magazine articles, and placing content about the contest on utility and sponsor Web sites.

## Application Process

To attract the highest possible number of applicants for a contest, the application process should be simple for the homeowner. Homeowners should be given the opportunity to either mail in an application form that has been included in their utility bill, provided directly by sponsors, or at local retailers, or to apply online. If print advertising is within the promotional budget, entry forms can be included in newspaper and magazine advertisements. Application forms should include a few fields in addition to contact information (e.g., the size and age of the home.)

Most of the Energy Makeover Contests reviewed here selected winners based, at least partly, on energy use. In these cases, the application notes that the homeowner gives the utility and the third-party administrator permission to use their energy bill data or another estimate of energy usage, such as the ENERGY STAR Home Energy Yardstick, as a part of the selection process. By law, applicants must be able to choose not to be contacted in the future or sent any additional information.



## Selection Process

The selection process is designed to select winning entries that need major energy efficiency measures and can serve as a showcase for each sponsor. The process can be tailored to meet different needs and different types of housing. Some of the criteria that have been used include:

- Size of home (homes too small or too large will not be seen as replicable),
- Age of home (homes too new will not need heating or cooling equipment replaced, and may open up issues with the home builder), and
- Number of occupants (homes with too few or too many may not be viewed as 'typical').

Additional information will need to be gathered in subsequent telephone interviews with selected "semifinalist" homeowners. These interviews can screen for other important factors, such as:

- Unusual energy sources or uses,
- Behavioral reasons for high energy use (windows kept open,) or
- Homeowners that are uncooperative or intend to move.

The ENERGY STAR Home Energy Yardstick can also be used to help screen applicants.

### **Audit and Installation**

Once the contest winners have been selected, implementation begins with a thorough diagnosis of the home's energy problems by an energy rater, energy auditor or home performance contractor. The energy rater or auditor (often with a General Contractor) should explain the measures to the homeowner in detail, and provide the homeowner a written summary of the work to be done, along with the schedule of work. It generally takes at least three weeks to complete installation. Once the retrofit is complete, a post-installation audit should be performed.

### **Marketing and Promoting the contest.**

Each participating organization can play an important role in the promotional effort. Leading up to the contest, a marketing plan can be developed to capitalize on the strengths of each organization. Utilities, sponsors, third party administrators can develop newspaper ads, media releases, and radio ads to publicize the contest. The utility can use an insert or newsletter in the utility bill to promote applications. Sponsors can also distribute contest flyers and publicize the contest to their customers through other avenues, such as invoice inserts and in-store promotion.

Once a winner is selected, some of the contests have used a 'prize patrol' approach to inform winners, which creates great pictures of excited homeowners and can often generate media coverage for the contest.

After the work is completed, satisfied homeowners also can be great resources for media outreach in the months following the contest, helping to keep energy efficiency in the minds of area consumers. Sponsors have paid for brochures and promotion of workshops. Utilities have included stories about the impressive energy savings in their customer newsletters.

## **KEY ENERGY MAKEOVER ROLES**

The Energy Makeover Contests reviewed for this paper vary somewhat, but in each case, four main entities played key roles:

### **The Utility**

The utility has a unique ability to deliver a promotional message to every local customer in their service area. The willingness of the utility to promote the contest often can be critical to attracting sponsors. Generally, utilities play the following roles in Energy Makeover Contests:

- Promote the contest in their energy bill insert and elsewhere.
- Provide funding for the 3<sup>rd</sup> party administrator and sometimes for the efficiency measures.
- Provide, with applicant's permission, the energy bill data to the 3<sup>rd</sup> party administrator.
- Publicize the energy savings being realized by the winning homes.

### **Sponsors**

Product manufacturers and retailers may donate their services and/or products, and bring additional promotional or marketing muscle to the table. The total value of the package catches the attention of prospective applicants, so when sponsors donate big-ticket measures, such as a new furnace or air conditioning system, appliances, or replacement windows, more homeowners enter the contest.

Organizations looking to implement an Energy Makeover contest should consider finding sponsors to donate (or directly purchase) the following types of home energy improvements in their prize package:

- Insulation and air sealing work – both are essential to producing dramatic energy savings.
- HVAC equipment and duct sealing – heating and cooling costs the average homeowner about \$600 per year. Replacing older, less efficient equipment with models that have earned the government’s ENERGY STAR, can cut energy costs by 20 percent.
- Replacement windows – Though they may only produce a small portion of the energy savings, windows are a big ticket item highly valued by homeowners.
- Lighting and appliances – Energy used for lighting and appliances can account for nearly half of a homeowner’s utility bill. Installing ENERGY STAR qualified models can significantly reduce energy consumption.

### **Contractors**

In addition to sponsors who provide equipment and products, a number of service contractors are needed to identify and install selected energy efficiency measures. Again, these contractors can be approached to donate their services or the contest organizers can pay directly for the work.

- An energy auditor, rater or home performance contractor who will perform diagnostics and develop a recommended energy upgrade package for the winning homeowner;
- A general contractor to obtain the necessary building permits and serve as the point of contact for the homeowner while overseeing the work of the other contractors;
- Insulation and air sealing contractors;
- HVAC contractors to install equipment and clean and seal ductwork; and
- An electrician to upgrade the electrical service (if needed.)

### **A Third Party Administrator**

A third party administrator, especially if they have good contacts with potential sponsors and contractors, can be a critical partner in the contest effort. The third party administrator can assist with sponsor recruitment, application review and winner selection (which can be extremely time-consuming), and promotion coordination.

## Xcel Energy/CESC Makeover (2005)

The original concept for the Energy Makeover Contest grew out of discussions between Xcel Energy and CESC in early 2004. Xcel Energy was looking for ways to better communicate energy efficiency opportunities to their customers. CESC has run a middle and high school contest since 2001 in which student teams analyzed home energy bills. CESC installed energy efficiency measures in the least efficient homes analyzed by the winning student teams. CESC was looking for a way to apply the idea in its consumer education program.

Xcel Energy's Melissa Wood, the Director of Strategic Marketing, said the utility invested in the new idea because it would be a great way of "showing, not just telling," the energy efficiency message. Xcel Energy wants customers to know they can exercise control over their energy bills and the contest provides an opportunity to reinforce that message every month or two as more energy savings are realized.

Marketing staff at Xcel Energy carefully measured the 2004 pilot effort in terms of "views," --the number of times information on the Energy Makeover Program was in front of a customer. Several key outreach tools were used, including the utility's monthly bill-insert newsletter, newspaper advertisements, free television appearances, and from CESC's semiannual magazine, *Smart Energy Living*. Xcel Energy concluded that the Energy Makeover produced 3.3 million views, making it a very cost-effective way to spread the energy efficiency message. The reach grew in 2005 to about 4.5 million.

CESC selected the two winners by analyzing the gas and electric usage data from thousands of entries, conducting over 100 telephone interviews to find out more about the least efficient homes, and then organizing site visits to the ten finalists. Ultimately, two homes were selected.

The energy analysis and diagnostic work uncovered serious energy and comfort issues. More than \$25,000 worth of energy efficiency measures were installed during a 3 week period. Work was completed in November and the energy savings have been exceptional. Energy use in the two 2005 winning homes dropped by 65% to 70% during the November through February time period.

Most sponsors have now worked together for two years. One team of sponsors has formed an ongoing team, calling themselves the Smart Energy Living® Energy Makeover Team. This team has agreed to cooperatively fund several promotional activities, including workshop brochures and presentations at home shows. A December 2005 workshop attracted 75 attendees and over 90 leads. The growing success of the Energy Makeover has encouraged Xcel Energy to fund CESC to manage the contest for a third year.

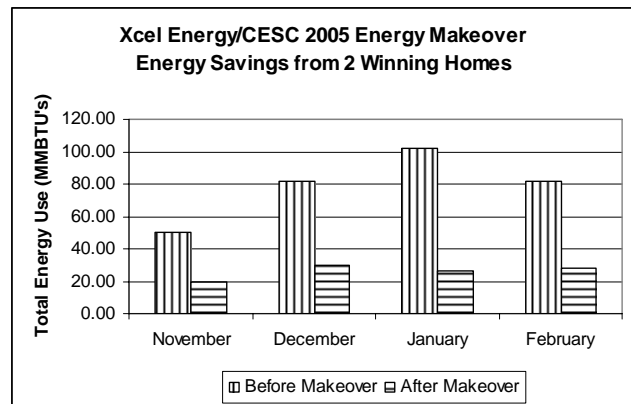
### Xcel Energy Energy Makeover 2004 and 2005

Goal: To provide utility customers information on energy efficiency.

Sponsors: Over 20 sponsors provided all energy efficiency products and services for two Grand Prize winners each year.

Measures: New air conditioner, furnace, windows and window coverings, insulation, hot water tanks or tankless systems, air sealing, lighting. Over \$25,000 worth of goods and services for each Grand Prize winner.

Number of applications: 9400 in 2004 and 16,000 in 2005.



## Colorado Springs Utilities/CESC Home Performance with ENERGY STAR Makeover (2005)

Simon Baker, Senior Conservation Specialist for Springs Utilities was in charge of designing a demand-side management strategic plan. He looked at a wide variety of programs and the Energy Makeover was ideal for many reasons -- low-cost and ease of implementation, compatibility with the Home Performance with ENERGY STAR program, and broad media appeal.

Robin Spaulding, Conservation Specialist for the Springs Utilities said "We did [the Contest] because it dovetails perfectly with Home Performance with ENERGY STAR."

Prior to the contest, only one home in the market had been retrofitted through Home Performance with ENERGY STAR. At the end of the Contest, CESC and Springs Utilities sponsored a workshop that attracted 38 attendees and an in-depth newspaper article generated six new leads. Spaulding was pleased with the way the contest helped promote Home Performance with ENERGY STAR. For a new program that needed visibility, the Contest was an effective way to increase consumer awareness of the program and the "whole-house approach."

The contest promotion reached a wide audience, using an insert and a newsletter announcement in the utility bills, news coverage, newspaper print ads, and the utilities' website. CESC helped promote using their website, the *Smart Energy Living* magazine, an email newsletter, direct mail newsletter and a homeowner workshop. The outreach disseminated about one million "impressions," of the Home Performance with ENERGY STAR contest, which is an average of five impressions for each of the utilities' 200,000 customers.

CESC conducted over 100 telephone interviews to narrow the field down to six finalists. The winning home, built in 1992, had a pre-installation home energy rating of 74, but had serious comfort issues, which made it a good candidate for the Home Performance with ENERGY STAR "whole house" approach. The sponsors improved the HERS score to 88, earning the home an ENERGY STAR qualification. Winter energy use dropped about 30%. Homeowner Patti Stuart was very pleased, "When temperatures dropped to zero degrees in December the temperature inside the house didn't even change. We had to look at the outdoor thermometer to even know it was so cold. What a difference!"

The Colorado Springs City Council was given an update on the contest and acknowledged the contribution of the sponsors during a city council meeting. A budget request for running the program in 2006 was approved and Springs Utilities has contracted with CESC to manage the effort.

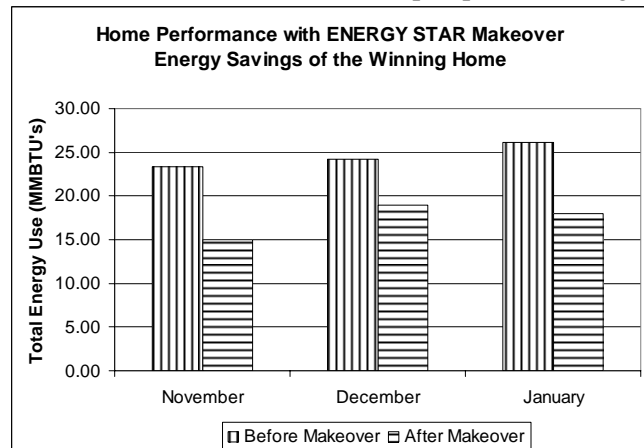
### Colorado Springs Utilities Home Performance with ENERGY STAR Makeover 2005

Goal: To attract participants to the Home Performance with ENERGY STAR program.

Sponsors: Nine sponsors provided energy efficiency products and services valued at about \$20,000 for one grand prize winner.

Measures: New air conditioner, furnace, windows, insulation, air sealing, lighting.

Number of applications: 3600





## **Delta-Montrose Electric Association (DMEA)/CESC Home Energy Makeover (2005)**

DMEA, a non-profit, member-owned rural electric cooperative and its subsidiary, Intermountain Energy, worked with CESC to design the contest to achieve a very specific purpose. Ed Thomas, the marketing director of Intermountain Energy who managed the project, said “Our goal was to show how a one-time investment in energy efficiency improvements can save homeowners money every month for as long as they own the home.” DMEA launched a new website ([www.homeenergymakeover.com](http://www.homeenergymakeover.com)) in conjunction with the Contest with tools available to DMEA members to aid them in conducting self-audits and energy analysis on their homes. DMEA wanted to promote the whole-house approach and the collaborative, team effort in increasing a home’s energy efficiency.

The utility wanted to demonstrate a specific approach to analyzing homes and selecting measures and chose to fund the analysis and many of the energy efficiency measures themselves. Intermountain Energy recruited fourteen additional co-sponsors.

The utility was able to provide prizes to ten winners. The Grand Prize winner received about \$25,000 in energy efficiency measures. The two runners-up each received up to \$10,000 in measures. The final seven additional winners each received a comprehensive energy audit of their homes.

Intermountain Energy ran a wide ranging promotional campaign:

- An announcement and application form in the DMEA newsletter.
- A 4-page insert was included in 2-3 different issues of the three main newspapers in the service territory.
- Advertisements were run on the radio and on television.
- Booths were set-up at a few local fairs.

Intermountain Energy organized a workshop in November, shortly after winners were selected. About 50 people attended, and heard details about the energy analysis that was being done for all ten of the selected homes. Contest co-sponsors talked about the measures they installed. As a result of the workshop, nine people have expressed interest in paying \$300 for a home energy analysis, so they would know how to go about their own energy makeover.

The Home Energy Makeover Contest was an integral part of an effort that included a new audit process, on-line tools for consumers and partnerships with local vendors. This positions the utility well as they consider their next steps. Ed Thomas explains “The Home Energy Makeover could be the launching pad for a new business. We need to see if people are interested in a comprehensive service to improve their home’s performance.”

### **Delta Montrose Electric Association Energy Makeover 2005**

**Goals:** To demonstrate energy efficiency measures and home energy analysis services.

**Sponsors:** DMEA invested \$45,000 of their own funds to install measures in 3 winning homes. Fourteen companies co-sponsored. Seven runners-up received comprehensive energy analyses.

**Measures:** Geothermal heat pumps, windows, insulation, water heaters, air sealing, lighting.

**Number of applications:** 130

# Appendix

## Key Contacts

### Colorado Energy Science Center

[www.energyscience.org](http://www.energyscience.org) and [www.smartenergyliving.org](http://www.smartenergyliving.org)  
303-216-2026

Energy Makeover Program Manager and Executive Director: Patrick Keegan, [pkeegan@energyscience.org](mailto:pkeegan@energyscience.org)  
Promotion Manager and Smart Energy Living Editor-in-chief: Kirstin Marr, [kmarr@energyscience.org](mailto:kmarr@energyscience.org)

### Colorado Springs Utilities

Robin Spaulding, Conservation Specialist: 719-668-8647 ([RSpaulding@csu.org](mailto:RSpaulding@csu.org))

### Delta Montrose Electric Association

Ed Thomas, Marketing Director at Intermountain Energy (subsidiary of DMEA): 970-240-1279  
([ed.thomas@dmea.com](mailto:ed.thomas@dmea.com))

### Otter Tail Power Company

Brenda Sandahl, Program Manager: 218-739-8539 ([bsandahl@otpc.com](mailto:bsandahl@otpc.com))

### TRICON

Ginger Johnson, Executive Director: 309-637-0934 ([gingerj@triconpeoria.org](mailto:gingerj@triconpeoria.org))

### Xcel Energy

Chris Dierker, Marketing Manager: 303-294-2476 ([christopher.j.dierker@xcelenergy.com](mailto:christopher.j.dierker@xcelenergy.com))