Objectives

• Understand how recent ENERGY STAR program changes have affected CEA members who participate in the program
• Garner insight into participants’ likes and dislikes
• Explore ways in which the program could be improved in the future
Methodology

• Online survey of CEA’s Energy Efficiency Working Group in April 2014
• 25 company representatives responded (16% response rate)
• Conducted by CEA’s market research department
• Similar study fielded in 2012
Program Awareness & Participation

• Program awareness is high (92% of respondents)
• Seven in ten (72%) are current partners
• About four in ten participate primarily for consumer/retail sales (44%) or because of alignment with environmental goals (39%)
Program Awareness & Participation

Participation in Product Categories

- Televisions: 50%
- Displays: 50%
- Computers: 50%
- Audio/Video: 44%
- Set-top Boxes & Cable Boxes: 39%
- Imaging Equipment: 22%
- Appliances: 17%
- Battery Charging Systems: 17%
- Small Network Equipment: 17%
- Uninterruptible Power Supplies: 11%
- Cordless Phones: 6%
- Other: 6%
- None of the above: 6%

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Program Aspects Liked

- Rewards and promotes
- Voluntary and flexible
- High consumer awareness
- Receptive to industry input
Value in the Marketplace

• Shows commitment to environmental stewardship
• Helps company branding, supports loyalty
• Despite consumer awareness, cannot collect a premium for ENERGY STAR
Has Company Discussed Dropping Participation in the ENERGY STAR Program?

- **No**: 65%
- **Yes**: 24%
- **Don't know**: 12%

**Reasons**

- "Cost/ benefit." "The cost of participation may not justify the benefits."
- "We have the FTC Energy Guide Label now for televisions."
- "It appeared that specs would be set low enough that our equipment would no longer qualify."
Future Participation

Reasons to Continue Participating in the ENERGY STAR Program

- Consumers seek ENERGY STAR: 69%
- Doing so aligns with my company’s environmental ethic: 63%
- Retailers seek ENERGY STAR: 56%
- Corporate buyers seek ENERGY STAR: 50%
- U.S. federal, state or local governments seek ENERGY STAR: 44%
- International governments seek ENERGY STAR: 44%
- Utilities offer incentives for ENERGY STAR: 31%
- Other: 13%
Impact of Recent Program Changes

• As a result of recent program changes, seven in ten (71%) respondents whose company is a current ENERGY STAR program partner report costs to obtain ENERGY STAR certification have increased, either “substantially” (12%) or “slightly” (59%).
Third-party Certification

• Just under half (45%) say it takes between one and two weeks to achieve product certification by a Certification Body, while one quarter (27%) say it takes more than two weeks.

• Just under half (45%) of respondents say their company spends up to $10,000 more per year to have a model third-party certified.
Third-party Certification

Awareness of Ability to Test Products for ENERGY STAR Certification in Own Lab

- Yes: 65%
- No: 22%
- Don't know: 13%
Third-party Certification

• 67% of respondents’ companies have not changed their participation
• 14% say their company no longer participates in the program for *some* of their models and products
• 14% say their company is *considering* changing their participation in the program due to the requirements
Third-party Certification

• Based on the EPA’s changes to the ENERGY STAR program, one in ten (10%) anticipate their company will produce products that meet ENERGY STAR specifications but will not carry the label, while nearly six in ten (57%) believe their companies’ products that meet specifications will, indeed, be ENERGY STAR labeled.
Third-party Certification

Positive aspects:

• Good management by CBs
• Easier for EPA to believe the data
• Supports compliance
• Increases program credibility
Third-party Certification

**Concerns:**
- Added costs, costs can outweigh benefits
- CBs not adequately prepared for new specifications
- Extends pre-market product development timeline
## Program Operation

### Agreement With Statements

<table>
<thead>
<tr>
<th>Statement</th>
<th>2012</th>
<th>2014</th>
<th>Percentage Point Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>The EPA values the insights and opinion of ENERGY STAR partners</td>
<td>26%</td>
<td>42%</td>
<td>+16</td>
</tr>
<tr>
<td>The EPA listens to the concerns of ENERGY STAR partners about the program</td>
<td>20%</td>
<td>42%</td>
<td>+22</td>
</tr>
<tr>
<td>It is difficult to obtain information from the EPA about the ENERGY STAR third party certification program</td>
<td>21%</td>
<td>27%</td>
<td>+6</td>
</tr>
</tbody>
</table>
Operational Challenges

- Misalignment with efficiency requirements overseas
- Difficult transition following mandated federal test procedure
- Allowances not matching up to product design, which can hamper innovation
- Short timelines from final specification to effective date
Suggestions for Improvement

- Much more than 9 months needed between finalization of specification and effective date
- Better international harmonization and alignment
- Better planning for sunsetting of specifications
Suggestions for Improvement

- Need mechanism to inform the partner when a new model has been uploaded to the database (CBs are dealing with divisions overseas and not U.S. divisions)
- Improve transparency of CBs’ registration of products
- Move to a risk-based third-party certification scheme