Market Adoption of ENERGY STAR® Water Heaters … What it takes
Residential HPWH Product Line

Full portfolio of ENERGY STAR® qualified residential heat pump water heaters. Electronic thermostat; Grid enabled via CTA 2045 port adapter

- **Annual EE savings:** > 2,500 kWh saved compared to a standard electric water heater of similar performance
- **Annual GHG reduction:** ~2 metric tons compared to a standard electric water heater of similar performance.

- 50, 66, and 80 gallon models
- 10 and 6 year warranty options
- High efficiency operation 3.45 UEF
- NEEA Tier 3 Qualified models
- Duct kit available for all models for confined space installations
Residential HPWH
CTA-2045 Grid Connected Water Heaters

Capabilities
Shed Load
Shift Load
Add Load
Regulation
Load Balancing
Renewable Integration
Price Controlled
More.....

A. O. Smith Port Adapter

Residential HPWH

UCM Module

OADR Compatible
A. O. Smith ENERGY STAR® Hub

- Print on Demand
- Digital downloads
- Sales videos
- Customizable promotional tools
- Lifestyle images

https://aosmith.mymarketingbench.com/
Sales/Training Tools

Counter Display

Heat Pump Shells

Product Training

Dimensions
8.5”x14”

Consumer Brochure/Tearpads

Contractor Rewards

Consumer Advertising
New Videos....How to Sell a HPWH

Home Call

https://vimeo.com/hotwateru/review/293610496/003f32eecd

Phone Call

http://vimeo.com/342826825
Program Design Terminology

• **Downstream** — Utility Rebate offered directly to Consumer, traditionally mail-in rebates

• **Midstream** — Instant Utility rebate offered to Distributor or Contractor

• **Upstream** — Instant Utility rebate offered to Manufacturer

• **Markdown** — Price reduction at retail available to ALL Consumers shopping at that store or online

• **Validated Instant** — Utility Instant rebate offered to Consumer after electronic validation that Consumer is an account holder of the Utility
Downstream Incentives Do Not Work

- 300+ Programs
- 59% HPWH
- 90% Mail-in rebates
- Average rebate
  ~$400
- ENERGY STAR
  market penetration
    - Electric: 2%
    - Gas: 7%

**Source:** ENERGY STAR® SUMMARY OF WATER HEATER PROGRAMS - 2018
Midstream/Upstream Growth

2017 instant rebate programs
  – 12 States
  – 13 MM households

2018 instant rebate programs
  – 17 States
  – 30 MM households

2019 instant rebate programs
  – 20+ States
  – ~40 MM households
2019 Instant Rebate Programs
Markdown @ Lowe’s

Save more with an A.O. Smith®
Electric Heat Pump Water Heater
and your local utility company.

$500
Instant Rebate
Included In Price*
Validated Instant @ Lowe’s
Validated Instant @ Wholesale

IS YOUR CUSTOMER A DUKE ENERGY ELECTRIC CUSTOMER?
SAVE TODAY WITH A $350 OFF QUALIFYING WATER HEATERS!

SAVE $350 INSTANTLY! BY FOLLOWING 4 EASY STEPS:
1. Enter all of the customer installation information
2. Provide the instant rebate code to your Ferguson sales associate
3. Receive instant rebate at time of purchase
4. Apply instant rebate to customer invoice following installation

GAIN A COMPETITIVE ADVANTAGE
• Instant rebates to customers – no waiting for rebates
• Sell high-efficiency models for the price of lower efficiency models
• Eliminate administrative work managing rebate submissions
• Provide higher value at lower costs to customers

Go to DukeEnergyInstantRebates.com/Ferguson to get your instant rebate coupon for qualifying water heaters.
Create Market Demand For Both Retail and Wholesale Channels

Source: KeyStat water heater purchases YE4Q18 sample size n=5,310
Bring Consumers to Retailers

- Screaming deal
- Utility attribution
- Proactive replacements
- General market awareness
- Price transparency
$499 price point (after $700 instant rebate)

Promo Advertising (month 12)
Generate leads for Contractors

- Connect with AOS Contractors
- Customize on the fly
- Target select zip codes
- Co-fund with AOS
- Digital and Print
Fall Promotional Campaign Preview

- **KICK OFF THE SEASON WITH GREAT SAVINGS.**
- **SAVE COLD CASH ON HOT WATER.**
- **WE’RE TURNING AUTUMN GREEN THIS YEAR.**
- **WE’LL HEAT YOUR WATER. THE SAVINGS WILL WARM YOUR HEART.**

*AO Smith HYBRID ELECTRIC HEAT PUMP*

**$000 INSTANT SAVINGS TODAY**

Your Logo Goes Here
Local Contractor Rewards Promotions

- **Offer to Plumbing Companies** with place of business in the service territory of the Utility
- **Training Certification** $50 bonus funded by AOS
- **Per unit sold bonus** co-funded by AOS and Utility
- **Promotion managed by AOS via Contractor Rewards**
What it Takes….

- INSTANT Rebates at both Retail and Wholesale channels
- Large rebates for new CHP-120 Commercial HPWH
- Digitize the Consumer and Contractor experience
- Pool Ad funds with A. O. Smith
- Joint Contractor promotions and training