

# Efficiency Maine Midstream Heat Pump Water Heater Programs

Andy Meyer  
Senior Program Manager  
September 11, 2019



# Three HPWH Programs

1. Low Income Direct Install (midstream = installer)
2. Distributor (midstream)
3. Retail (downstream)



# Low Income - Distributor Recruiting

- Requested pricing from top 4 distributors to supply:
  - 650 ENERGY STAR® HPWH/yr
  - statewide, next-day delivery
  - 10-year warranty
- Negotiated bulk purchase price
- Currently \$889 at Ferguson (State)



# Low Income - Plumber Recruiting

- Recruited 20 plumbers via email, phone, distributor
- They agree to:
  - Supply and install HPWH for \$1,700 using our bulk purchase price
  - Install misc. products we supply (LEDs, aerators, showerheads) at our fixed rates
- We supply leads, bulk pricing, misc. products & prompt payment



# Low Income Customer Recruiting

- Send invitation letters to 30,000 LIHEAP/DHHS kit recipients
- Customer calls us
- We confirm eligibility
  - Pay own electric bill
  - Replacing electric resistance water heater
  - In unheated basement
  - 6' Clearance
- We assign nearest participating plumber



# Low Income Program Process

- We give lead & HPWH bulk purchase code to plumber
- Plumber
  - Buys HPWH paying our bulk rate
  - Buys all miscellaneous parts at their cost
  - Schedules & installs
  - Bills us \$1,700 plus misc product labor
- We pay plumber
- We inspect 15% of installations



# Low Income Learnings

- Limited installation capacity during heating season
- No solution for mobile homes
- Supplying LEDs, aerators, showerheads is cumbersome
- \$1,500 won't cover removing the old water heaters
- Pre-authorization ensures plumber and distributor get paid



# Distributor Program

- We negotiate MOU with distributors
- We currently pay them
  - \$750 per unit sold (any price)
  - \$50 administrative fee
  - \$100 if sell  $\leq$ \$250
- They give us installation data
- Eligibility = ENERGY STAR<sup>®</sup>, residential/commercial
- Our reps visit weekly



FW Webb Oakland, ME



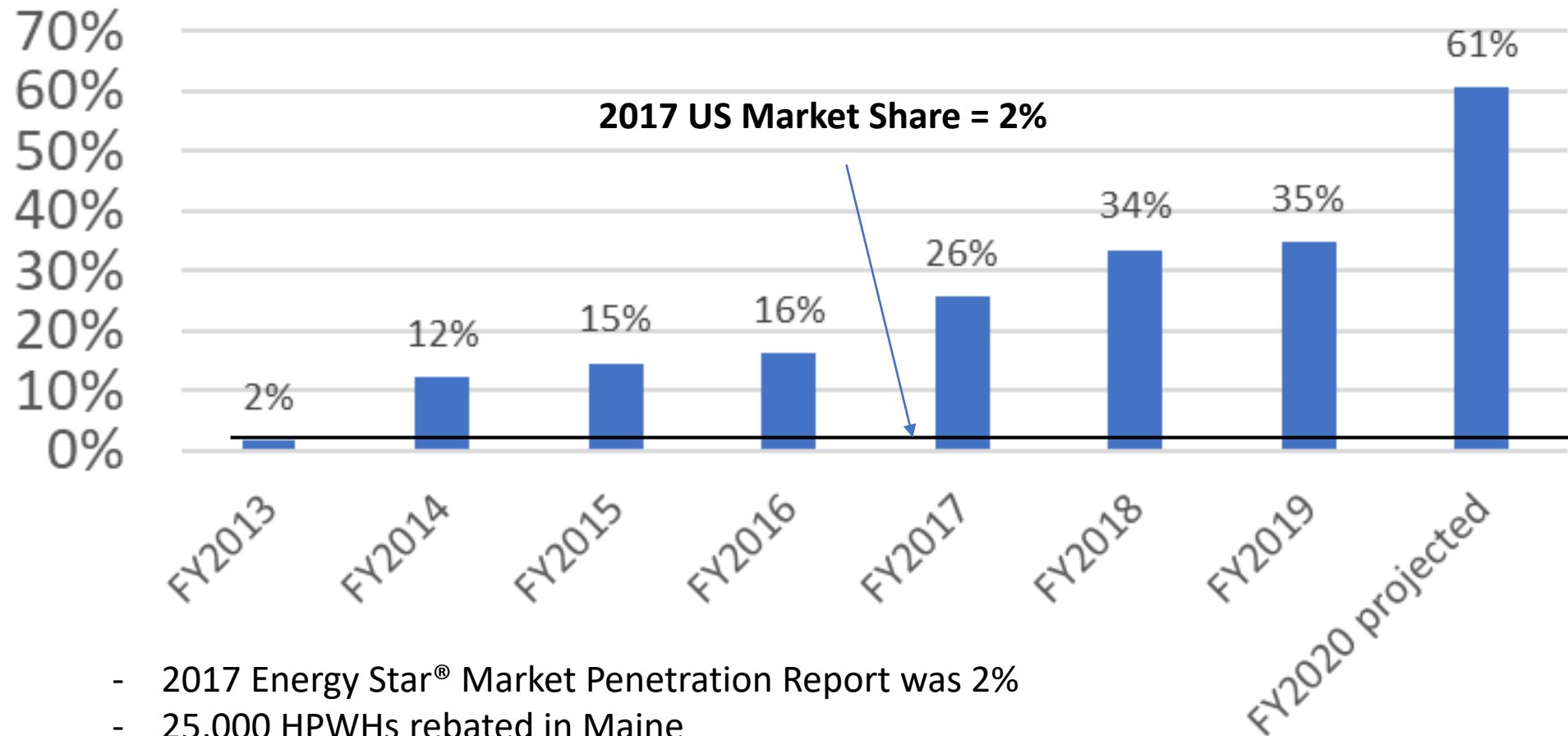
# Retail Program

- \$750 mail-in rebate
- ENERGY STAR®
- Residential or commercial
- In-store or on-line purchases
- Our field reps visit big box stores weekly



# Maine Retail/Distributor Results

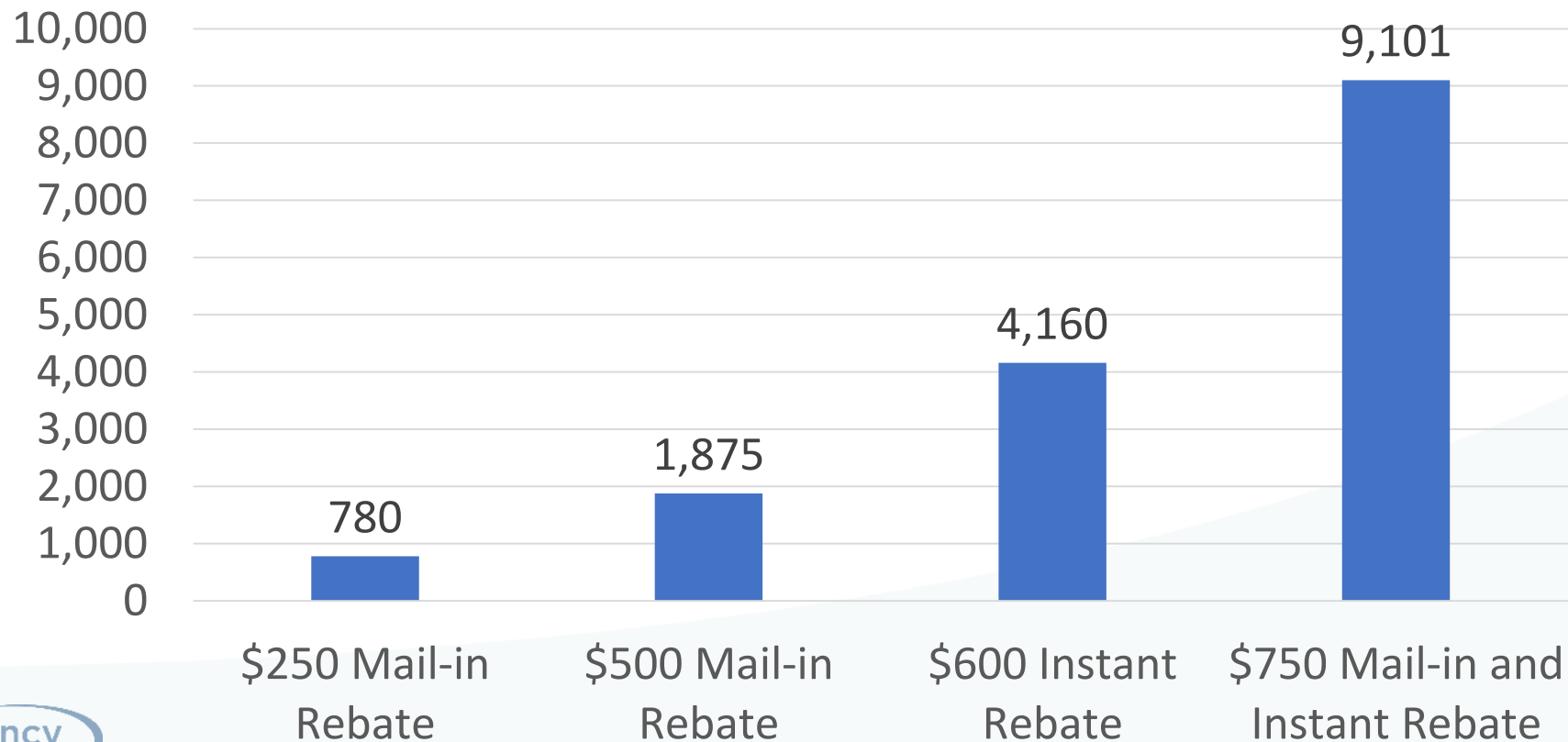
## HPWH Market Share



- 2017 Energy Star® Market Penetration Report was 2%
- 25,000 HPWHs rebated in Maine

# Rebate Program Impact

## Annual HPWH Sales Volume by Rebate Amount/Type



# Guiding Principles

Motivating  
Incentives

Simple  
Program

Marketing

Field Support

Continuous  
Improvement

# Best Practices

- In retail, put signs on the electric water heater too
- Communicate/support the entire value chain
  1. Manufacturer, mfgr rep
  2. Distrib HQ, branch mgr, counter staff, field sales
  3. Retail HQ, regional mgr, store mgr, dept staff
  4. Installer owner, office staff, techs
  5. Homeowners
  6. Allies (non-profits, trade associations, utilities)

# Role of ENERGY STAR®

- Certifying products
- Publishing data to support savings claim
  - Unit shipment reports
  - Baseline efficiency
- Convening partners to share best practices



[efficiencymaine.com](http://efficiencymaine.com)