

# **Innovation and Outreach: Water Heater Incentive Programs**

*ENERGY STAR® Appliance Partners Meeting*

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# Energy Trust of Oregon



## Energy Trust of Oregon

- Mission and structure

- Residential programs

## Mail-in Water Heater Incentives

- Electric

- Natural Gas

## Reaching out to Market Actors

- Installers

- Retailers

- Distributors

## Innovating Together

- New technologies



# Mission

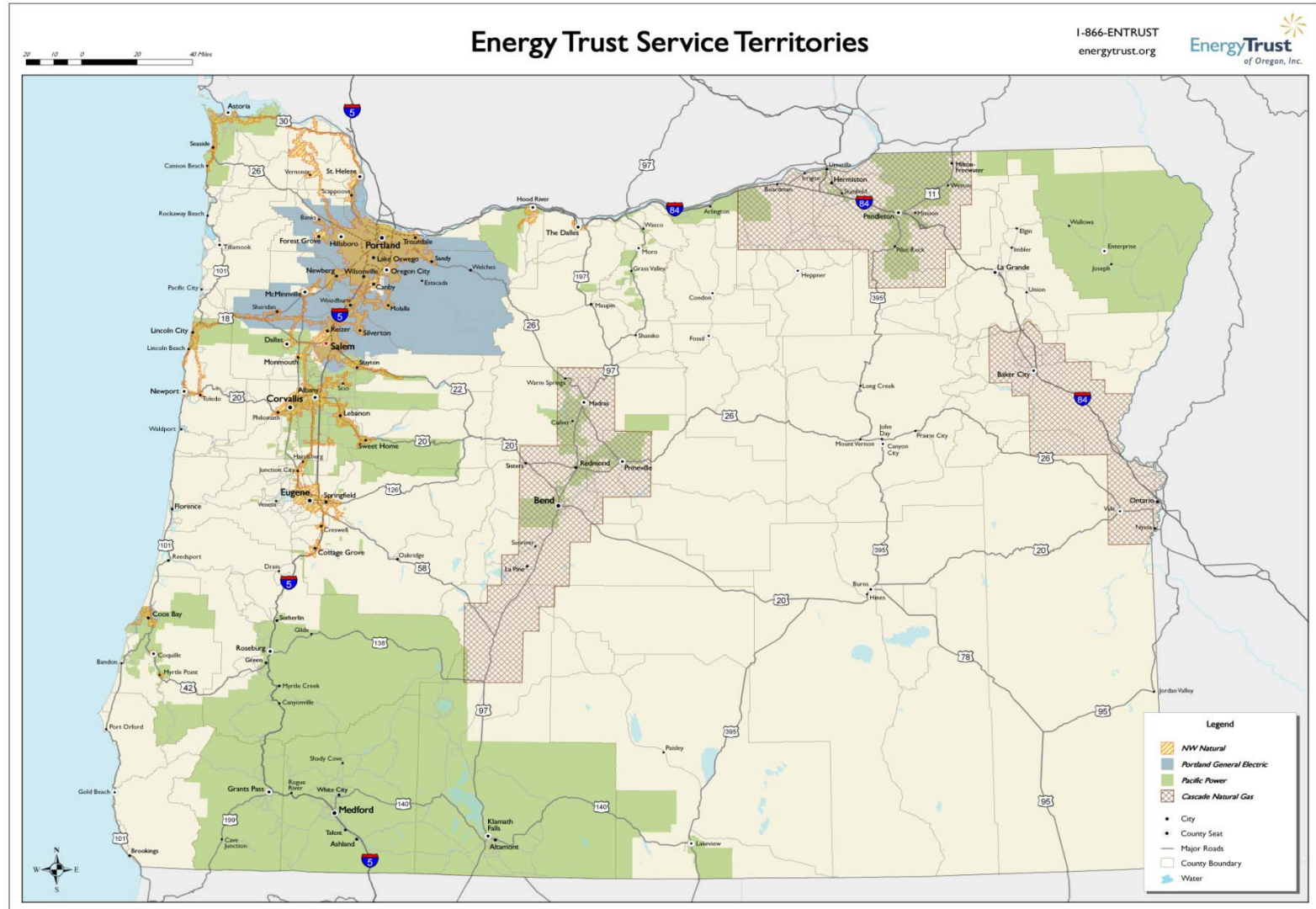
*To help Oregonians invest in energy efficiency and generate clean renewable energy.*

Funded by a portion of the Public Purpose charge

- 3% electric customers
- 1.5% gas customers



# Energy Trust Service Territories





# Identifying Opportunity

## Home Energy Reviews

- One-hour visual home assessment
- Installation of free energy-saving products
- Recommendations for energy-saving home improvements

## Home Performance with ENERGY STAR®

- Comprehensive 3-4 hour home assessment performed by a Building Performance Institute (BPI)-certified contractor, helping to ensure the following in your home:
  - Energy efficiency
  - Health
  - Safety
  - Comfort



# Water Heater Incentives

## Natural Gas

- \$35—gas storage, 0.62 EF or greater
- \$200—gas tankless, 0.80 EF or greater

## Solar

- \$.30 – .40 per 1<sup>st</sup> year kWh savings, up to \$1500

## Electric

- \$35—electric storage, 0.93 EF or greater
- \$75—electric storage, 0.94 EF or greater with a 20 year warranty



# Reaching out to Market Actors

## Plumbers

- Trade associations such as the Plumbing-Heating-Cooling Contractors Association
- Event tabling

## Retailers

- Sales associates have largest influence on consumer water heating purchases
- Incentives can be a sales tool

## Distributors

- Distributors assist clients with consumer sales
- Distributors are a trusted source of information



# Pilot – Point of Purchase Incentives

- Electric and gas water heaters
- Implemented by new ‘Program Allies’
- Shortened application form at retail
- Incentives offered as a discount on invoice—lowers participant out-of-pocket expense
- Reimburse retailer
- Free Energy Trust POP collateral
- Cooperative marketing for custom campaigns





# Pilot – Key Considerations

## Customer safety

- Only electric water heaters are permitted for self-install

## Employee turnover

- One key staff member at each location
- Regular communication between Program and Program Ally

## Double dipping

- By mail in—invoice must itemize Energy Trust incentive
- With returns—must provide serial number. Cannot pay twice on a serial number, so returns must have incentive reversed to qualify again.

## Program Ally cash flow

- Program Ally Memorandum of Understanding with Energy Trust
- Weekly submission of incentive applications

# Case Study: George Morlan Plumbing

- Matched \$35 Energy Trust incentive
- Online and print marketing
- Store model clings
- Processed 263 pilot incentives in 9 months
- Now stocks the highest electric incentive tier
- Now offers heat pump water heaters by special order



**GET MORE**  
from your water heater

**\$70**

**INSTANT CASH BACK**

when you buy this water heater *plus* get help applying for an Oregon tax credit of up to \$400 for gas water heaters.  
*(\$35 incentive from Energy Trust + \$35 incentive from George Morlan)*

Reciba un total de \$70 en incentivos para calentadores de agua eléctricos con un factor de energía de 0.95 o mejor y una garantía del tanque de 12 años.

Ask your retailer about eligible models. Offer is valid for qualifying water heaters purchased through February 28, 2009.

Visit us online at [www.energytrust.org](http://www.energytrust.org) or call 1-866-368-7878.

Mail-in incentives available for Oregon customers of Portland General Electric, Pacific Power, NW Natural and Cascade Natural Gas.

**EnergyTrust**  
of Oregon, Inc.



# Benefits of Engaging the Supply Chain

Builds relationships that

- facilitate education of customers who “replace when broken”
- keep consumers thinking about energy efficiency for major purchases
- provide a channel for launching pilots
- prepare the market for heat pump water heaters

Delivers savings

- 67% of 2008 electric water heater savings from point-of-purchase



# Future Water Heater Incentives

- Gas Tanks – A new tier of Incentives
  - 0.70 EF or greater gas storage
  - 0.82 EF or greater gas tankless
- Heat Pump Water Heater Pilot
  - Limited quantities
  - Installation requirements
  - EF requirements will depend on what is available
- Solar Water Heaters
  - Continued promotion through Solar Energy Reviews, Solar Trade Allies
  - Volume expected to double

# Thank you for attending!

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