Innovative Water Heater Rebate Programs

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Agenda

• About CenterPoint Energy
• Trade Allies Defined
• Trade Ally History
• Trade Ally Incentives
• Trade Ally Outreach and Communications
• Retailers
• Consumer Outreach and Research
About CenterPoint Energy

• The third-largest publicly traded natural gas delivery company in the U.S.

• Over 3.2 million natural gas customers in six states

• The nation’s third-largest combined electricity and natural gas delivery company (over 5 million customers)

• Pipeline and field services

• Natural gas sales and services

• Natural gas energy efficiency programs in AR, MN and OK
Residential and Commercial Trade Ally Audiences

Residential

• HVAC Dealers and Distributors
• Plumbers
• Hearth Dealers & Distributors
• Insulation Contractors
• Retailers

Commercial

• Mechanical Contractors & Distributors
• Architects & Engineers
• Foodservice Dealers, Distributors
• Manufacturer Representatives
Residential Trade Ally Relationship - History

- 1992: EE Program Launch in Minnesota: Heating System Rebate
  ➢ Communications gap – potential for growth became apparent over time

- 2003: Introduced “Rebate Scoop” to HVAC Dealers and Distributors
  ➢ Forum to provide key messages throughout the year

- 2006: Phone Survey to Residential heating contractors
  ➢ Incorporated feedback into future planning

- 2007: Introduction of Water Heater Rebate Program
  ➢ Development of plumber network and retailer relationships

- 2010: Introduction of Fireplace Rebate Program
  ➢ New hearth dealer relationships

- 2010: Launch of EE Programs in Arkansas

- 2011: Launch of EE Programs in Oklahoma

Using dealer network to gain market knowledge and help with program enhancement and development
Trade Ally
Cash Incentives

- Help with promotion of energy efficiency programs
- Incent Trade Allies to fill out rebate application forms on behalf of customers
- Help ensure all qualifying equipment installed in our service territory gets submitted for a rebate
Trade Ally Meetings

- Forum to provide key messages presented by energy experts
- Provide value-added tools to help them sell
- Networking opportunity
- Breakfast meetings held during times of the year that are convenient for contractors
Trade Ally representatives, program administrators and rebate staff are available for:

- Office Visits
- Distributor Events
- Industry Associations
- Trade Shows
- Lunch and Learns
- Retailer events and associate training
Direct mail continues to be an effective way to communicate with trade allies throughout the year.

- **Annual launch packets**
  - Letter outlining what is in packet
  - Rebate forms and envelopes
  - Change of information cards
  - Order more materials
  - Comprehensive dealer booklet with resources and information

- **Reminder postcards**

- **Trade publications advertising**
Trade Ally
Online Communications

Website

• **Trade Ally section**
  ➢ Fill-and-print rebate forms
  ➢ Program guidelines
  ➢ Online calculators

Value-added emails

• **Seasonal program updates**
• **Important reminders**
• **Event invitations**
• 2007 Launch of Water Heater Rebate Program
  ➢ Discovered need to work with retailers

• Opportunity
  ➢ Retail represents 50% of total Water Heater sales

• Successes
  ➢ Leveraged ENERGY STAR partner meetings to help build awareness of our rebate offerings and value they can add to retailers.
  ➢ **Increased** rebate submission from participating retailers for qualifying high-efficiency water heaters.
  ➢ **Decrease** in the amount of rebates submitted that need to be denied.
Consumer Outreach and Communications

The call to action with all of our promotions is to contact the dealer, plumber or retailer of their choice.
Over two-thirds (69%) of the survey respondents were aware that some natural gas water heaters have the ENERGY STAR® label. Awareness is higher among those that purchased through a retailer (89%) than those that purchased through a contractor (65%). Awareness is lowest among the oldest respondents.

Where did you learn about ENERGY STAR® water heaters (check all that apply)

<table>
<thead>
<tr>
<th>Where did you learn about ENERGY STAR® water heaters</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>CNP promotion materials</td>
<td>47%</td>
</tr>
<tr>
<td>In-store display</td>
<td>25%</td>
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<tr>
<td>Energy Star® website</td>
<td>9%</td>
</tr>
<tr>
<td>CNP employee (volunteered)</td>
<td>7%</td>
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<tr>
<td>Energy Star® label on other appliances (volunteered)</td>
<td>4%</td>
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<tr>
<td>Plumber, installer, technician, contractor (volunteered)</td>
<td>3%</td>
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<tr>
<td>General online research, website, internet (volunteered)</td>
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</tr>
<tr>
<td>Common knowledge, have known about it for years (volunteered)</td>
<td>2%</td>
</tr>
<tr>
<td>Misc. advertising / literature (volunteered)</td>
<td>2%</td>
</tr>
<tr>
<td>Dealer /retail store where purchased (volunteered)</td>
<td>2%</td>
</tr>
<tr>
<td>Newspaper articles /advertising (volunteered)</td>
<td>2%</td>
</tr>
<tr>
<td>Misc. other answers</td>
<td>9%</td>
</tr>
</tbody>
</table>
Summary

- Trade allies are key to program success
- Ongoing in-person and marketing communication is essential with trade allies
- Consumer outreach supports your efforts
- Don’t ignore the retail market
- Power of the ENERGY STAR brand
- Keep researching to get a pulse of the market
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