Appliance Program Best Practices in the Northeast

2006 ENERGY STAR® Appliance Partner Meeting
Newport, RI
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Northeast ENERGY STAR Appliance Initiative

Cape Light Compact (MA)
Efficiency Vermont (VT)
Long Island Power Authority (NY)
National Grid (MA, RI and NH)
New Hampshire Electric Cooperative (NH)
Northeast Utility Systems
  Connecticut Light and Power (CT)
  Western Massachusetts Electric (MA)
  Public Service of New Hampshire (NH)
NSTAR Electric (MA)
United Illuminating (CT)
Unitil (MA and NH)

MA, CT, RI, VT and NY Sponsors involved in the joint regional implementation facilitated by the Northeast Energy Efficiency Partnerships (NEEP)
NH Sponsors involved in the Core Utility Program
ENERGY STAR Quarterly CW Market Share* in New England and the Nation: 2002 - 2005

* Source: D&R International
National Grid’s Service Territory

Brief Bio
- International energy delivery company
- 3.3 million electric customers in NY, MA, RI and NH
- 565,000 gas customers in NY
- Merger with KeySpan and RI business of New England Gas

Strengths: Conserving Energy
- Robust programs for 19 years
- 450 MW of demand reduction
- Exceeding $1 Billion of Spending
- Reaching $2 Billion of Customer Savings
- Serving over 60% of eligible customers
National Grid in the Northeast
Summary of National Grid’s Appliance Programs

- Offer Appliance Programs in MA, RI, and NH

- Programs Promote:
  - Clothes washers
  - Room air conditioners
  - Dishwashers
  - Refrigerators

- Program Components:
  - ENERGY STAR
  - Retailer Outreach
  - Rebates (Clothes washers and room air conditioners)
  - Customer and Retailer Marketing
  - Web site: myenergystar.com
Today Focus on Clothes Washers
3 Levels of National Grid’s Clothes Washer Programs

- **New Hampshire**
  - Maintained $50 rebate on ENERGY STAR qualified clothes washers
  - Consistent active retailer outreach
  - Advertising in stores. No mass advertising.
  - In top 5 for all 4 appliances for market share data (D&R)

- **Rhode Island**
  - Continuous rebate offering on ENERGY STAR qualified clothes washers
  - Also participated in Joint Manufacturer/Retailer Promotions in 2002-2004
  - Decreased rebate level over the past several years ($50 to $35 to $25).
  - Consistent active retailer outreach
  - Advertising in stores. Limited mass advertising (joint campaign with MA)
  - Rhode Islanders love rebates!

- **Massachusetts**
  - Various different rebates offers.
    - 2006: Continuous $100 rebate on ENERGY STAR clothes washer 1.8 MEF +
    - 2005: Continuous $50 rebate on ENERGY STAR clothes washers
    - 2002-2004: Short Term Joint Manufacturer/Retailer Promotions.
  - Active retailer outreach
  - More aggressive advertising in stores and via radio, Red Sox, Patriots
Clothes Washer Purchasing Trend in MA

Number of Rebates

2002 2003 2004 2005 2006

Rebate amount

Short Term Joint Promos

$50

$100, 1.80+ MEF

$1,000

$700-$999

$500-$699

<$500
Clothes Washer Purchasing Trend in RI

Number of Rebates

Rebate amount

- $1,000
- $700-$999
- $500-$699
- <$500

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nationalgrid
Impact of $100 rebate/1.80+ Criteria in MA

- Differed from expectations
  - Thought program would be limited
  - Possible confusion in marketplace around 1.80

- Offering $100 Rebate Level
  - Number of rebates processed has hit the roof!
  - Independent retailers very excited to promote higher priced products with rebate.

- Setting 1.80+ level
  - Pushed consumers to even higher MEF.
    - In 2006, 41% 2.0+
    - In 2005, 29% 2.0+
  - Increased purchases of $700-$999 CW products and decreased purchases of <$500 CW products. (MEF and Price go hand in hand)

"Show me the Money"

Earth Day Radio spot
2006 ENERGY STAR Appliance Retailer Field Delivery Approach for Massachusetts
Massachusetts Field Delivery

- Face-to-face in-store visits by a field rep dedicated to the retailer provides individualized access to program offerings
  - Ongoing access to program resources available to retailers through field rep cell phones, program hotline, and myenergystar.com
  - Consistently urge utilization of materials created with program’s “look and feel” to enhance program awareness and recognition

- Frequency of in-store visits determined by analysis of retailer type and need
  - Quality of visits emphasized, not quantity

- Types of visits include
  - Routine field visits – replenish POP, rebates
  - Monitor special promotions
  - Assist with special events
  - Sales associate training
  - In-field inventories and surveys
What Do Massachusetts Appliance Retailers Think About Clothes Washer Rebates?

Successful programs deliver opportunities that add value to retailers – enabling them to increase sales and up-sell within a product category.

How do we know what makes retailers tick?

We Asked Them!! Retailers are …

- Pleased the rebate increased from $50 to $100
- Able to utilize the rebate to steer customers to the higher end Clothes Washer models
- Using rebate to open ENERGY STAR discussion
What do Massachusetts Retailers Think? (cont’d)

- Easily identifying eligible models through the list printed on the rebate form, calling the program hotline, accessing energystar.gov, and regular updates from field representatives
- Realizing increased sales of higher MEF models due to $100 rebate
Stocking more 1.8 MEF+ ENERGY STAR Clothes Washers to meet the customer demand

Local Lowe’s Appliance Sales Manager reported new overall corporate focus on stocking front loaders, generating a 50% increase on sales floor of these models

Customers looking for inexpensive, non-ENERGY STAR appliances are not enticed by the $100 rebate to upgrade to a high end model.
2006 ENERGY STAR Appliance Marketing and Communications for Massachusetts
Overall Strategy

- Ensure our message is “loud and clear,” consistent and highly visible
- Position Sponsors as consumers’ “go-to” source for information on energy efficient appliances
- Maximize results through:
  - Appropriate approach to key product categories
  - Proper leveraging of retail
  - Educate consumers through preferred vehicles, i.e. internet
Appliance Category Approach

- Broaden approach to appliance marketing
  - Data demonstrates there is no true selling season, so consistent support throughout the year is key to driving results
    - New Year’s campaign in January
    - Earth Day campaign in April
    - Cool Your World in June-August
    - Change a Light, Change the World in October
- Appliances are a “considered” purchase, requiring consumer education
- Support participating retailers with training and access to regional Sponsor communications via myenergystar.com
MA Clothes Washer Rebate Form

List rebate-eligible Manufacturers and Models on inside of rebate form

Customer rebate fill-in area
Proper leveraging of Retail

- Clear, consistent and actionable POP designed to help retailers close the sale with consumers
  - “Save BIG” messaging educates consumers about money, energy and environmental savings
  - Drive traffic to myenergystar.com for more information
- Sales Associate training
  - Sales associates have a large effect on the outcome of appliance sales, so it is integral that they are provided proper training on the benefits of ENERGY STAR products for the consumer
  - Modify training based on indicators from retailer training quiz.
In-store POP

Save BIG

And make a big difference. Choose ENERGY STAR® qualified appliances, and you will save money, save energy and help protect the environment.

ENERGY STAR® qualified CLOTHES WASHERS

- Use 50% less energy than non-ENERGY STAR models
- Save up to $100 per year in energy and water use
- Have faster spin speeds to reduce drying time
- Can save over 7,000 gallons of water per year

ENERGY STAR® qualified DISHWASHERS

- Use 25% less energy than non-ENERGY STAR models
- Can save over $500 in energy costs during its life
- Can save over 1,600 gallons of water per year
  *(compared to a 10-year old model)*

ENERGY STAR® qualified REFRIGERATORS & FREEZERS

- Use 50% less energy compared to 10-year old models
- Save up to $100 per year in energy costs when replacing a model 10 years or older
- Use high efficiency compressors, improved insulation, and more precise temperature and defrost mechanisms to improve energy efficiency

ENERGY STAR® qualified AIR CONDITIONERS

- Use 10-28% less energy than non-ENERGY STAR models
- Save up to $20 per year in energy costs when replacing a 10-year old model
- A properly sized unit can reduce humidity and make the room feel comfortable, without wasting energy

Products that earn the ENERGY STAR meet strict energy consumption and performance guidelines set by the US Department of Energy (DOE) and US Environmental Protection Agency (EPA).

By choosing ENERGY STAR™ products, you save money, save energy, and the environment without compromising quality or comfort.

For more information, call 1-877-ESTAR 4 U (1-877-378-2748) or visit www.myenergystar.com

Save BIG

And make a big difference. Choose ENERGY STAR® qualified products, and save money, save energy and help protect the environment for generations to come.

For more information, call 1-877-ESTAR 4 U (1-877-378-2748) or visit www.myenergystar.com

Appliance Fact Cards

Appliance Rebate Holder

Appliance Banner
Online Retailer Support

View and order POP, view incentives by state, access Co-op Advertising Kit
Consumer education on myenergystar.com

- Clean, user-friendly Web site
- Easy, direct access to rebates & special offers
- Landing site for promotions and events
- Banners to highlight special promotions
- Listings of upcoming events
- Quarterly campaigns receive special prominence
- Press releases and media resources
Custom-Designed Online Clothes Washer Savings Calculator

- Allows search by product or MEF
- Identifies product’s MEF and educates on benefits of high MEFs
Celebrate Earth Day Every Day

April, 2006
Earth Day Communication Vehicles

- **Radio**
  - :30 Earth day themed, cross-product spots
    - Drive consumers to myenergystar.com to learn more
    - Emphasize Sponsor as resource for energy efficiency information
  - **Myenergystar.com**
    - Enhanced web content, banners
    - Feature on home page
- **Retail Feature**
  - Standard “Save BIG” In-store signage and rebates
Earth Day on myenergystar.com

Campaign-specific front entry page

Northeast ENERGY STAR Lighting and Appliance Initiative

Save BIG. And make a big difference.

celebrate Earth Day
April 22

by purchasing ENERGY STAR qualified lighting and appliances.

As a proud sponsor of this web site, Efficiency Vermont encourages you to buy appliances and lighting products that have earned the ENERGY STAR. You'll save energy, money, and help...
Overall Lessons Learned

- Active presence in retail that adds value is key
  - Consistent “look and feel” to enhance program awareness
  - Design Retail POP to inform and educate consumers
  - Label ENERGY STAR Products
  - Train Retail Sales Associates
  - Gather and analyze in-field product data
- Follow market trend of enhanced use of Web site
- Year-long promotions and marketing provide continuity
- Coordinate all marketing and retail outreach efforts
- Big rebates “Carry a big stick” but one can maintain presence with reduced rebates
- Consumers took the challenge of the higher MEF