



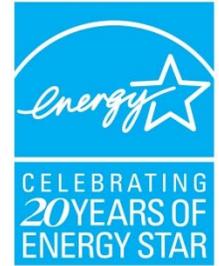
# National Retail Panel: Streamlining ENERGY STAR® Partner Collaborations on Retail-Based Energy Efficiency Programs

Patrick Kilroy,  
Navitas Partners on behalf of US EPA



Learn more at [energystar.gov](https://energystar.gov)

# Panel Participants



- **Kristen Bowring**

- Senior Director, Platform Lead, Home and Energy Management, Best Buy



- **Paul Campbell**

- Director, Environmental Sustainability/Green Leadership, Sears Holdings Corporation



- **Mike Cook**

- Senior Manager of Utility and Government Rebates, The Home Depot



- **Christa Osswald**

- Utility Program Manager, Lowe's Companies, Inc.



# Agenda

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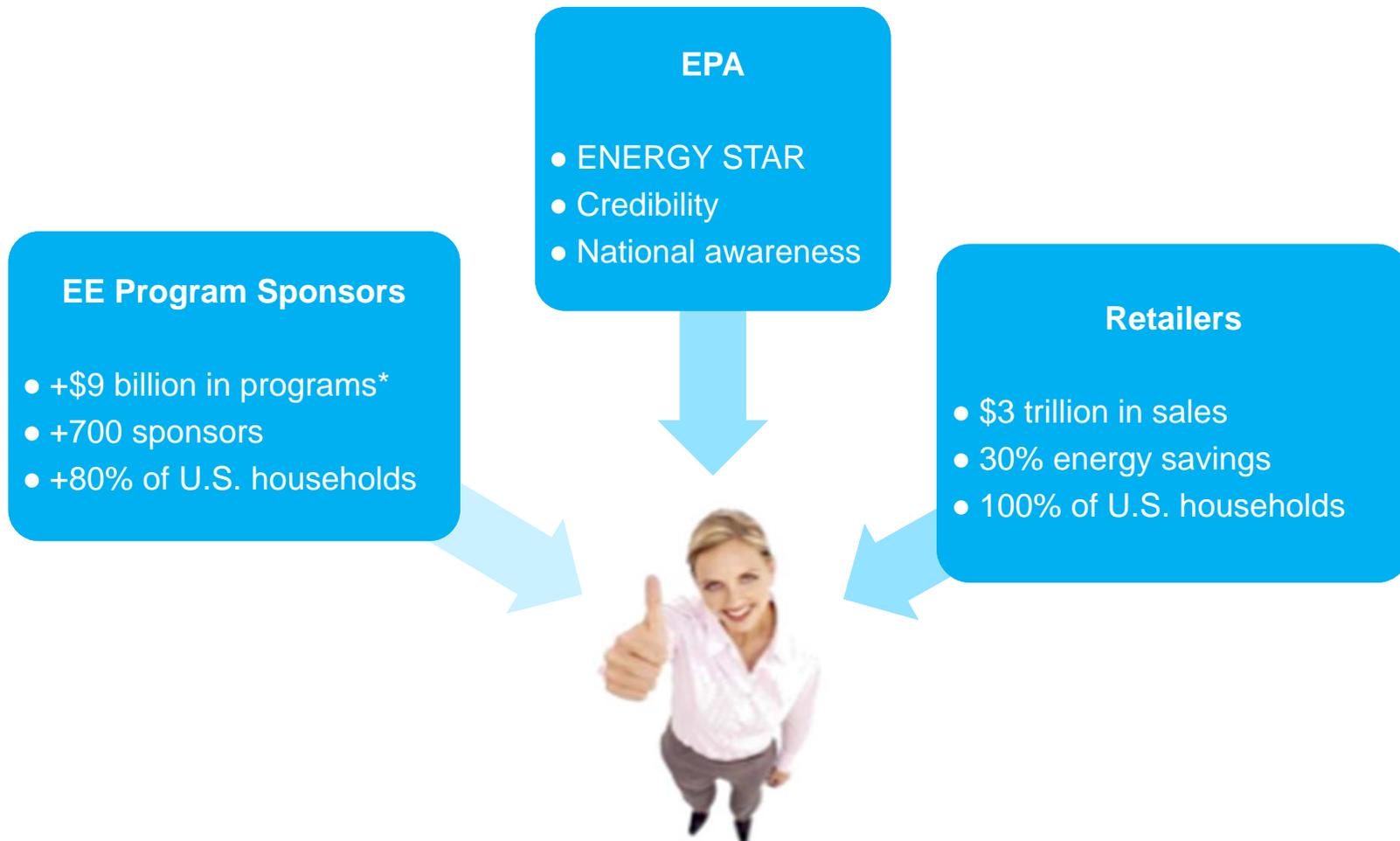
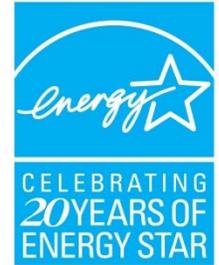
- Background
- Recent Activity
- Retail Model
- Next Steps
- Q&A



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# Background

# 3 Market Influencers with Common Goals: Save Energy and Delight Customers



\*CEE "State of the Efficiency Program Industry: Budgets, Expenditures, and Impacts 2011, include electric and gas programs

# Encouraging Strong Partnerships Through ENERGY STAR



EPA continues to facilitate partner dialogue at ENERGY STAR Partner Meetings.

**2010**

**Panel Series:**

*Perspectives Panel Series from Industry on Efficiency Program Design*

**2011**

**Retailer Panel:**

*Retailer Perspectives Panel on Energy Efficiency Programs for Lighting & Appliances*

**2012**

**Retailer Panel:**

*Streamlining ENERGY STAR Partner Collaborations on Retail-Based Energy Efficiency Programs*

**2013**

**Retail Task Force:**

*Tools for Retail and Energy Efficiency Program Sponsors*

# Common Business Objectives and Opportunities

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- This ongoing dialogue confirms that retailers and energy efficiency program sponsors share many business objectives:
  - Creating an outstanding customer experience
  - Increasing return on investment
  - Improving program effectiveness
  - Increasing sales of energy efficient products
- They also have a key common challenge: **bridging complex and different business models** to increase the market for ENERGY STAR products

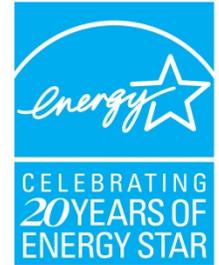


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# Recent Activity

# Encouraging Strong Partnerships Through ENERGY STAR

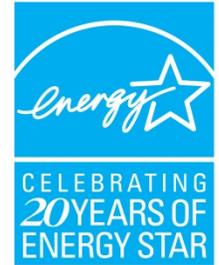
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- EPA has long supported efforts to further **explore the challenges to partnership and potential strategies to overcome them.**
- Starting in May 2012, Navitas Partners began to create the building blocks for a new tool to define, document, and share these strategies with all ENERGY STAR partners.

# Shared Insights

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- Retailer discussions uncovered three significant interrelated themes:
  1. Scalability
  2. Partnership
  3. Operational Efficiency
- Discussions with energy efficiency program sponsors identified **best practices** in retail-based energy efficiency programs that were consistent with the retailers' views of key success factors

# Shared Insights: Scalability

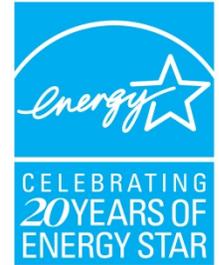
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- National retailers' marketing, inventory and logistics investments support a national footprint
  - Programs in a single store or a few stores may require as many resources as a chain-wide program
- Achieving scale is possible through close collaboration
- Collaborations create consistent data requirements, product stocking decisions, and product specification levels

# Shared Insights: Partnership

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- Most successful partnerships are built on shared vision and clear understanding of one another's business objectives
- Key success factors include:
  - Understanding how retail works, including the buying cycles
  - Flexibility to test new ideas
  - Having a customer-centric focus to improve the customer experience
  - Involving the retailer in the program development process
- Such partnerships can lead to improved program effectiveness, reduced costs, and continuous improvement through shared lessons learned

# Shared Insights: Operational Efficiency

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- Retailers seek increased revenue, but also incur costs when participating in an energy efficiency program
  - For example, significant cost is involved in setting up point of sale rebates
- Operational efficiency helps retailers manage costs
- Retailers are starting to measure the impact of energy efficiency programs on their bottom line and how rebates impact buying behavior

# Shared Insights: Operational Efficiency

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- Energy efficiency program sponsors also benefit from operational efficiency
- For example, marketing consistency across all retailers based on ENERGY STAR messaging efficiently uses limited marketing budgets
- Benefits are also gained from deploying sponsors' field service staff to all retailers within their service territories

# Common Best Practices

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- Best practices shared by EE program sponsors parallel successful program characteristics as described by the retailers:
  - Strategic agreements that engage retailers in program planning
  - POS/instant rebate programs
  - EE program websites with lists or links to participating retailers
  - Field service support for POP placement and store associate training
  - Clear understanding of requirements and limitations for EM&V
  - Style guidelines for using program logos, graphics, and messaging

# Common Best Practices: Collaboration

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## **Business and Consumer Electronics program example:**

- Bring retailers and ENERGY STAR into program development process prior to launch
- Understand decision making and buying cycles
- Gain mutual agreement on electronic data sharing and security
- Reach consensus on point of purchase materials and training requirements
  - Invested in retail field support
- Regular communication with retailers, their suppliers and other stakeholders



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# Retailer Model

# Retailer Model: Vendor Management Guides

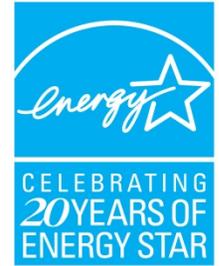
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- Most retailers have developed vendor management guides as a way to:
  - Control costs
  - Maintain quality
  - Manage relationships
  
- Guides cover topics like:
  - Logistics
  - IT / Point of sale data sharing
  - Marketing

# Retailer Model: Vendor Management Guides

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- Each retailer has its own vendor management guide that:
  - Shares many common elements to reduce cost and improve supply chain efficiency
  - Allows retailers and their vendors to eliminate the mundane to focus on differentiation

# Applying Retailer Model to Energy Efficiency Programs

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- Retailers note that energy efficiency program sponsors offering programs at retail have many of the same characteristics as suppliers
- Therefore retailers surmise that similar guidelines could help retailers and energy efficiency program sponsors:
  - Increase speed to market for joint programs
  - Improve program cost effectiveness
  - Promote consistent program execution
  - Eliminate the mundane to focus on differentiation



# Next Steps

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- Create Retail Task Force
- Develop a set of guidelines to help streamline the implementation of ENERGY STAR-focused energy efficiency programs at retail
  - The guidelines will be a tool for retailers to customize and share with program sponsors who wish to utilize the retail channel to deliver energy efficiency measures
  - The guidelines will be a tool for program sponsors to use with state regulators to help them better understand the retail landscape

# Acknowledgements

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Thank you to these partners for providing input on this project:

- Best Buy
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- Northwest Energy Efficiency Alliance (NEEA)
- Pacific Gas & Electric
- Sears Holdings Corporation
- Southern California Edison
- Southern Company
- Tennessee Valley Authority
- The Home Depot

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- NV Energy
- Puget Sound Energy



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## Q&A