ENERGY STAR Appliances: Where do we go from Here?

September 29, 2005
Alive and Well

- Consumer awareness
- Multi-sector investment in ENERGY STAR Appliances
- Increased qualifying models, market share/sales
- ENERGY STAR is a differentiating point for consumers
- Stakeholders define success in different ways
What have you done to me lately?

• ENERGY STAR risks losing its relevance
  – Utilities and efficiency groups want aggressive targets
  – Retailers looking for differentiation in marketing strategies
  – Manufacturers need stability and foresight

• *Irony is that we all need each other*
Issues for Everyone

- Major shifts in the market
- ENERGY STAR strongest in PGC states
- Rules are changing for EEPS
- Retailers need new marketing strategies
- Consistency is needed across the board
- Planning, communication, understanding positions
- Stronger, better the next ten years
Current Challenges

- Small per-unit savings
- Shift towards peak savings (EEPS)
- Hard to track impacts
- Increased awareness & private sector interest
- Hard to influence consumer behavior

- Reduced differentiation (Manufs. & Retailers)
- Reduced cost-effectiveness (EEPS)
- Less compelling benefits for consumers
- Declining appliance budgets (EEPS)
More Challenges

- Keep criteria current
- Maintain reasonable lead times
- Investigate new opportunities
- The changing nature of incentives
  - EEPS
  - Retailer/Manufacturer
  - Tax credits and holidays
- Data – Data -- Data
Key Partner Commonalities

- New or advanced technology
  - Differentiation & higher margins for industry
  - Sometimes higher efficiency, e.g., clothes washers
- Early retirement
  - Get inefficient products off the grid (EEPS)
  - Promote new (efficient) product sales sooner
- Leveraging third-party resources/$
- Promotion/program cost-effectiveness
General Promotional Approach

• **Ongoing Product Promotions**
  – Select product(s) of strong interest to all Partners
  – Co-fund activities to share costs and expand reach
  – Conduct throughout the year, as appropriate
  – Manufacturer-driven with input from EEPS and Retailers

• **Seasonal Outreach Campaign**
  – Educational message
  – Single and clear call to action
  – Defined time period, selected based on message
  – DOE PR as anchor, Partners tie in to meet their own needs
Potential Areas for Cooperation

1) Promoting 2007 level clothes washers

2) Encouraging early retirement of pre-1993 refrigerators (both primary and secondary units)

3) Educating consumers on the benefits of using dishwashers properly

4) Promoting room AC recycling and replacement during the summer cooling season
1. Clothes Washer Promotion

- Target 2007 qualified models
- Use ENERGY STAR as messaging platform
- Year-round activity
- Manufacturer-driven
- Strong retail execution
- EEPS cost-sharing of incentives and marketing
2. Outreach Campaign: Refrigerators

- **Action: Retire your pre-1993 Refrigerator**
  - Primary unit (Replace with ENERGY STAR)
  - Secondary unit (Only replace if necessary)
- **Significant installed base of older units**
  - 33.8 million households have primary units older than 1993
  - 18.1 million households have 2 refrigerators
- **Significant savings from replacing these units**
  - 657 to 802 kWh per year
  - $55 to $70 per year
3. Outreach Campaign: Dishwashers

- Expand Household Saturation of Dishwashers
  - Saves energy and water compared to hand washing
  - Only 59% of households have a dishwasher

- “Scrape--Don’t Rinse” Campaign
  - 60% of dishwasher owners rinse dishes before loading the dishwasher
  - Pre-rinsing can use up to 20 gallons (twice the amount used by the dishwasher itself!)
4. Room AC Promotion

- Retire and recycle old inefficient units
- Encourage replacement with new ENERGY STAR qualified units