Products Program DRAFT Action Plan, October 2015

Program Description

The Products program provides prescriptive financial incentives to customers for the purchase and installation of energy-efficient products. The program is comprised of five components:

1. **Retail lighting and showerheads**
2. **New appliances**
3. **Kits and giveaways**
4. **New manufacture homes**
5. **Appliance recycling**

Appliance recycling is managed by a subcontractor responsible for scheduling appointments, picking up and decommissioning of appliances. The Products program aims to acquire cost-effective electric and gas savings through implementation of program efficiencies, targeted outreach, innovative program offerings and marketing, as well as expanded focus on retailers and the retail channel. Leveraging data analytics and flexible incentive levels in tandem with increased retailer and consumer education maximizes uptake of energy-efficient products and sustained energy savings.

For new manufactured homes, the program provides prescriptive financial incentives to retailers for the sale of energy-efficient home models and ductless heat pumps installed in those homes.

2016 Strategic Focus

1. Deliver program through Program Management Contractor Ecova, subcontractors and an expanded statewide network of retailers.
2. Educate retailers and consumers about the benefits and features of energy-efficient lighting, showerheads and appliances through targeted marketing strategies to support specific Products program offerings. Targeted marketing strategies could include digital ads, email or direct mail with targeting based on geographical location, consumer context or past behavior.
3. Implement delivery improvements to gain program efficiencies and reduce costs. This will include a continued focus on driving customers to apply online, simplification of participation requirements for the recycling program offer and increased collaboration with Simple Steps, Smart Savings™ to reduce administrative burden on Energy Trust and Bonneville Power Administration. The cost versus benefit of updating qualified product lists and maintaining appliance point of purchase in stores on a monthly basis will also be assessed. There will be a focus on streamlining processes and gaining efficiencies across all residential programs.
4. Increase participation of manufacturers and retailers.
5. Use market data and analytics to drive targeted marketing strategies.
6. Address participation gaps by offering incentives at a wide range of retail types and increase presence in rural communities.

7. Explore product recycling offer to include clothes washers. Ensure products are safely decommissioned and recycled.
8. Align program specification for new clothes washers with ENERGY STAR® version 7.0.
9. Pursue potential new savings opportunities to expand program portfolio. Continue to foster regional collaboration by partnering with key industry partners such as Northwest Energy Efficiency Alliance, Regional Technical Forum and Bonneville Power Administration.

2016 Activities

1. Maintain lighting and showerhead program design that uses data analytics and incentive level flexibility to maximize energy savings potential across the entire territory.
2. Incorporate new measures into the program portfolio such as clothes washer recycling and additional LED lighting applications.
3. Maintain current retail lighting promotions with incentive and savings changes. Expand promotions through partnerships with new manufacturers and expanded product lists with existing manufacturers. Monitor shift in lighting sales mix from CFLs to LEDs, and respond with incentive adjustments throughout the year.
4. Maintain refrigerator and freezer recycling program offer with incentive and savings changes. A single incentive level will be offered regardless of age of unit to simplify participation.
5. Maintain new clothes washer program offer with incentive and savings changes.
6. Conduct market test of mid-stream incentive model for refrigerators.
7. Expand participation and influence to customer groups and geographic areas with lower levels of program participation, working to reach customers through online offerings and community- or employer-hosted events.
    - Program is exploring a partnership with NEEA to pilot Enervee's "online closed loop retail marketing platform."
    - Review results of 2015 TechniArt pop-up promotions and online product promotions. If successful, maintain and expand program model to reach additional customers.
    - Continue working with independent and discount retailers.
8. Increase cross-program collaboration to increase program efficiency and savings. Cross collaborate in joint program measures and other areas, including advanced power strips tier 2, advanced thermostats and water heaters.
9. Provide EPS™ scores on new manufactured homes to drive customers to choose the most efficient electric models.
10. Work with regional partners to update assumptions on fuel allocation methodology for dual fuel measures, such as showerheads and clothes washers.
11. Coordinate with NEEA to accelerate the commercialization of high-efficiency dryers.
12. Update marketing point of purchase materials for lighting in retail locations during Q1.

2016 Assumptions

1. LEDs will continue to increase market share and CFLs will trend downward.
2. Savings from appliances, such as refrigerators and clothes washers, will decline. National efficiency standards for appliances are becoming more stringent, raising market baselines.

2017 Strategic Focus

1. Continue to focus on lighting sales. The volume of lighting sales is projected to decrease, however the program portfolio is projected to acquire more electric savings due to greater savings from LED sales. More products will also become ENERGY STAR® certified and prices will drop due to increased demand.
2. Facilitate sector sorting and redesign of program delivery approaches to further cost-effective investments for the residential sector as a whole.
3. Build on mid-stream designs established for lighting and showerheads to encourage the adoption of efficient technologies by residential ratepayers.