

REPORT



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# 2015 Products Program: Process Evaluation Report

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# 1 Executive Summary

Energy Trust of Oregon (Energy Trust) serves Oregon customers of Portland General Electric, Pacific Power, NW Natural, and Cascade Natural Gas, and Washington customers of NW Natural. As part of its mission, Energy Trust provides its customers with cash incentives, information, and other solutions to help them save energy and generate renewable energy. The Energy Trust Products program provides incentives to residential customers in Energy Trust's service territory to encourage the purchase and use of energy efficient products. The program includes lighting, showerheads, appliances, appliance recycling, new manufactured homes and low income kits that include faucet aerators. Energy savings from the Products program come primarily from lighting measures and showerheads, followed somewhat distantly by refrigerator recycling.

Following the selection of a new Program Management Contractor (PMC) in July 2014, Energy Trust established a transition period of September 1, 2014 to December 31, 2014. During this period, a variety of activities occurred to support a smooth transition of program services from the previous PMC, PECl (now CLEAResult), to Ecova, Inc. Although PECl is now part of CLEAResult, from this point on the report will refer to PECl as the former PMC to distinguish that from the current role CLEAResult has with the regional Simple Steps, Smart Savings™ program.

In May 2015, Energy Trust contracted with Nexant to conduct a process evaluation of the transition period and the first few months of implementation under the new PMC. Readers should note that our task in this project was to review documentation and conduct in-depth interviews with a variety of contacts involved in the transition process and first few months of the new PMC's management of the program. Coordination and communication issues are common and expected in program management transitions; rather than belabor these, our objective is to review the timeline and processes and gather the perspectives of those involved to provide findings and recommendations for how Energy Trust can continue to improve transitions in program management and identify emerging issues for the Products program as it plans for 2016.

## 1.1 Conclusions

The Products program contains six<sup>1</sup> separate, largely independent, components. Not all of these components were prioritized equally during the transition period. The transition team intentionally focused on two key components of the program: retail lighting and appliance recycling. Unsurprisingly, other components of the program (showerhead promotions, pop-up retail, new manufactured homes and kits) were progressing slower in the early months of 2015

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<sup>1</sup> The Products program often combines retail lighting and showerhead promotions, as they are delivered in a similar manner; however the two products involve different sets of manufacturers and (occasionally) retailers. Showerhead promotions lagged retail lighting in early 2015.

and received additional attention. In the appliance component of the program, while the rebates did not change and program activities largely carried over as-is from 2014, development and rollout of new appliance point of purchase marketing materials was also intentionally delayed.

We found broad agreement that the transition process went well. The staff and stakeholders closest to the transition process noted that two primary components of the transition process seemed to be most important: first, a dedicated launch manager at Ecova provided continuity from contract signing through staffing and launch; and second, a transition contract established for both the incumbent and new PMC firms created an incentive for the competing firms to cooperate and ensure a smooth hand off. Integrating new program contractors and new program components resulted in minor issues around clarifying expectations, establishing new relationships, and monitoring service level agreements.

At Energy Trust, the transition period was affected by an unexpectedly high level of staff turnover within the residential program, as well as within Planning and IT. As other staff members stepped in to continue the transition process, some of the continuity and organizational knowledge was lost. Regardless, those involved reported working through these changes and staying focused on achieving an orderly transition of program activities from PECI to Ecova.

Participating retailer and manufacturer contacts also reported high overall satisfaction with the transition itself and with their interactions with the new PMC. Several contacts acknowledged the difficulties of transitioning program services and while a few reported minor issues in obtaining materials or information, none had major complaints.

By June 2015 most of the transition-specific issues were largely resolved and Products program staff began turning attention to peripheral components of the program, some of which had been de-emphasized during transition planning. Appliances, showerhead promotions, pop-up retail, kits & giveaways all received more focused attention in early 2015 than they had during the transition contract period at the end of 2014.

Coordination with the regional Simple Steps program emerged as a challenge several months into 2015, in part because of changes to Bonneville Power Administration's (BPA) contract with its implementer, CLEAResult, for the Simple Steps program, and in part because of unforeseen complexities in sales allocation using the Regional Sales Allocation Tool<sup>2</sup> and changes in BPA's price structure that affected transactions for savings acquired at shared stores. Issues resulting from changes to BPA's contract with CLEAResult and changes to CLEAResult's price structure were being addressed when interviews were being conducted for this project. According to program staff, a contract amendment executed in early July 2015 resolved issues around pricing structure and Ecova-run stores supported by Simple Steps utilities.

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<sup>2</sup> The Retail Sales Allocation Tool (RSAT) is a tool used to allocate retail sales to the electric utilities that serve the customers of a given location. It facilitates proportional allocation of credit for energy saving product sales among stores frequented by customers of multiple utilities.

## 1.2 Recommendations

Recommendations are presented below in three categories: lessons learned in the PMC transition process, recommendations to enhance the Products program processes, and overarching strategies for expanding or enhancing measures promoted by the program.

### 1.2.1 Transition-specific

***Consider deploying a contract to cover transition activities for future PMC transitions.***

The existence of a contract that encouraged outgoing and incoming PMC staff to work together and compensated them for their efforts worked well for the Products program. This was augmented by SharePoint communication tools that minimized extensive email communication between PECl and Ecova and allowed Energy Trust to monitor progress and identify information gaps.

***Increase documentation of specific decisions and negotiations associated with complex contracting and invoicing.*** Multiple issues were likely affecting the communications between Ecova and CLEAResult about Simple Steps. These issues include competition among the implementation firms, revisions to BPA's willingness to pay for regional savings, the maintenance of long-established supply chain relationships, and a shifting consensus on the value of the regional brand. The complexity of the contracting and regional politics means that Energy Trust and BPA should have been more closely involved in the discussions between implementers.

### 1.2.2 Program-specific

In a general sense, recommendations in this vein focused on making things simpler for program contractors (e.g. PMC or other subcontractors) and market participants and included enhancements to electronic application processes and streamlining approval processes for low risk activities. As one contact noted, program components will need to be continually assessed as the market and program environment becomes less stable. Taking small risks on marginal or emerging solutions could reveal places where standard approaches to planning and marketing are too cumbersome.

***Begin the shift toward mid- and up-stream incentives for appliances.*** Interviewees discussed the cost effectiveness challenges associated with the downstream appliance rebate model and noted potential benefits from shifting to an upstream program model. This shift will require developing new relationships with appliance manufacturers and retailers and could require more engagement and commitment on their part than the previous downstream rebate program model. In addition, the plans for Simple Steps to expand program offerings to include midstream and upstream appliance offers will likely require additional collaboration and coordination with BPA's program. Because of challenges in the lighting and showerhead allocation process that emerged early in 2015, this collaboration should be given particular attention in planning for appliances in 2016 and beyond.



**Increase outreach to retailer contacts involved in showerhead promotions.** Interviews indicate that retailer contacts were less aware of showerhead promotions than lighting and appliances. As the primary source of therm savings, retail showerheads remain important to achieving the goals of the Products program. More direct or aggressive promotion of the water saving features of *WaterSense*<sup>®</sup>-qualified showerheads could leverage community concerns about drought and spur consumers to finally take action.

**Look for opportunities to minimize restrictions on program activities.** Comments from staff and stakeholder interviewees indicate a desire for more flexibility in program delivery. These comments included mentions of exacting requirements for qualified lighting products that include specific criteria and specialized lists, Energy Trust marketing review that can take a substantial amount of time, tiered incentives for refrigerator recycling, and a narrow definition of qualified pop-up retail. These requirements may be associated with ensuring high quality program delivery, but it is worth monitoring this to ensure requirements are not unnecessarily limiting program reach. Specifically, Energy Trust should:

- Consider opportunities to relax product specifications while ensuring energy savings are obtained.
- Monitor the tiered incentive requirements for refrigerator recycling to ensure that the added complexity is not affecting uptake.
- Track proposed pop-up retail activity declined or disqualified by Energy Trust and the rationale for disqualification.

If specific restrictions emerge repeatedly, consider the potential savings value of relaxing that requirement.

### 1.2.3 Measure-specific Enhancement or Expansion

Energy Trust works with its PMCs to develop and expand program offerings; not all of the products or strategies considered will ultimately work for the program. Nevertheless, Energy Trust and its PMCs will need to be ready to test new measures and deployment strategies that go beyond brick-and-mortar retail programs and promote customized product solutions to those shopping online or with specific budget or performance requirements that limit their willingness to consider energy efficiency. Multiple contacts noted that savings from energy-efficient lighting is declining and that programs will likely need to both expand and simplify to remain cost-effective in the future. In addition to the proposed program enhancements listed in Section 2.4, interviewees offered suggestions that added to or expanded upon those already proposed. Recommendations tended to reflect the specific perspective or expertise of a given contact; however the theme of expansion and simplification was universally present. While a specific measure or enhancement may not pass program cost-effectiveness screening, these overall themes could inform future program planning.

- **Consider expanding heat pump options for new manufactured homes.** Allowing both ductless heat pump and standard heat pumps in qualified new manufactured homes could reduce barriers and obtain savings. Contacts at Earth Advantage noted

that modeling showed both measures saved energy and standard heat pumps could be a solution for manufacturers who do not allow DHPs to be integrated.

- ***Continue regional collaboration efforts with NEEA on high performance new manufactured homes.*** Look for opportunities to link programs to financing to replace old manufactured homes with newer high performance homes.
- ***Promote water solutions.*** Develop a strategy for linking showerheads to water savings by leveraging public concern about water supplies. Leveraging the work of water bureaus, government organizations, and other advocacy groups could provide new exposure to water saving solutions (that also save natural gas).
- ***Prepare to integrate Products measures with “managed home” solutions.*** The link between the performance of existing homes and emerging residential products that communicate with and control equipment will increase the need for program efforts to simplify what could become an increasingly complex market.

## 1.3 This Report

The remainder of this report is organized into four sections:

- Section 2 provides background and an overview of the transition process
- Section 3 summarizes feedback from staff and stakeholders
- Section 4 summarizes feedback from retailer and manufacturer contacts
- Section 5 summarizes conclusions and recommendations

# MEMO



**Date:** November 11, 2015  
**To:** Energy Trust Board of Directors  
**From:** Mark Wyman, Residential Program Manager  
Erin Rowland, Residential Sr. Project Manager  
Erika Kociolek, Evaluation Project Manager  
**Subject:** Staff Response to 2015 Products Process Evaluation

Energy Trust undertook a targeted process evaluation of the Products program in 2015, primarily to assess the transition to Ecova as program management contractor (PMC) and the first few months of program operation under the new PMC. The evaluator reviewed program materials and conducted interviews with program staff, as well as with retailer and manufacturer contacts involved with the retail lighting and showerhead component of the program.

The evaluator found that the transition went smoothly, despite staff turnover, and attributed the success of the transition to dedicated staff at the incoming PMC and Energy Trust, and the presence of transition contracts with both the outgoing and incoming PMCs. The first few months of program operation have gone well; retailer and manufacturer contacts reported being highly satisfied with the transition and new PMC.

In addition to the PMC transition, the Products program experienced two key changes in program design starting in 2015. First, the retail lighting and showerheads program component underwent significant changes. Prior to 2015, Energy Trust participated in the Simple Steps, Smart Savings program, which is managed by the Bonneville Power Administration. Starting in 2015, the program moved to having the PMC manage the retail lighting and showerheads component for select stores. At the time of the interviews for this process evaluation (May 2015), there were some significant challenges with transitioning away from the Simple Steps and adapting to changes to the Simple Steps program; the challenges specifically related to store allocations, BPA's willingness to acquire savings in stores with BPA utility allocations, and data issues. These issues have been resolved in the months since the interviews for this evaluation.

The second key change relates to the addition of a new program component, TechniArt, a pop-up retailer that offers heavily discounted lighting and showerheads at employee events at businesses. There were some coordination challenges with TechniArt, namely lack of alignment between the program and TechniArt on the types of sites eligible for pop-up retail, which led to the discontinuation of several events. As a result, the evaluator recommended that Energy Trust track and monitor pop-up retail activity that was declined or disqualified by Energy Trust and the rationale for disqualification. The program believes that the timing of the interviews for the evaluation coincided with a time

when these coordination challenges were in the process of being resolved, and feels that coordination with TechniArt since then has been much smoother.

For 2016, the program is working to diversify its measure mix by offering incentives for recycled clothes washers. Additionally, the program will offer incentives for smart thermostats and heat pump water heaters sold at retail. The program is also continuing to assess the potential for new measures, such as super-efficient dryers, advanced power strips, and moving to midstream and upstream program designs.

## 2 Transition Process and Background

This section presents a summary of the Products program transition timeline and key activities. Information in this section comes primarily from a detailed set of documents provided to the Nexant evaluation team by Energy Trust staff and covering the transition period (August-December 2014) and early months of 2015, as Ecova officially took over the activities associated with the Products program.

The Nexant team reviewed a large volume of documents related to the transition process. The documents reviewed included:

- Transition planning documents and meeting notes
- Monthly reports
- Marketing materials
- Program planning documents
- Program implementation manual
- Background material on BPA's regional retail products program and proposed changes

### 2.1 Summary

A review of transition-related documents revealed frequent, detailed communication among those closest to the PMC transition process. The number and complexity of tracking and communication issues associated with shifting oversight from one contractor to another while striving to avoid a dip in the energy savings acquired by the program is evident in the step-by-step discussions around applications, tracking, and invoicing. New relationships with key partners were established during the transition period and facilitated steady implementation of major program activities. Program components did not receive equal attention during the transition period: retail lighting and the shift away from Simple Steps required substantial coordination, while more peripheral components were deemphasized during the transition period. In the first few months of 2015, program documents reflect a shifting focus toward supporting these smaller, but still important, components of the program.

### 2.2 PMC Selection and Transition

As part of Energy Trust's commitment to continuous improvement, Energy Trust periodically reviews its contracts with its Program Management Contractors (PMC), the firms that implement Energy Trust programs. Energy Trust uses a competitive bidding process to select the most appropriate firms to serve as PMCs. Through this process, Energy Trust seeks innovative ideas about program delivery and effective use of ratepayer funds.

In March 2014, Energy Trust staff issued a request for proposals (RFP) for a Program Management Contractor (PMC) to deliver Energy Trust's New Homes program and Products program. The RFP was structured so that respondents could submit proposals to provide one or both of the programs. Following review by a team of five voting and six nonvoting members, Ecova, Inc. was selected as the new PMC for the Energy Trust Products program in June 2014. The Energy Trust board of directors subsequently approved a transition services contract to cover transition activities expected from August 1 through December 31, 2014.

Immediately after the selection of Ecova, Energy Trust and Ecova staff began meeting to develop plans for transitioning each component of the program—establishing timelines, service level agreements (SLAs), and expectations for regular meetings among key contacts involved in the program at both organizations.

Energy Trust sought more control over the branding and merchandizing in Energy Trust territory and expected the new PMC would facilitate this by directly managing retail locations that had previously been managed through the regionally-branded Simple Steps, Smart Savings™ program managed by Bonneville Power Administration (BPA). Early meetings focused on establishing the timeframe for transitioning out of Simple Steps,<sup>1</sup> developing strategic marketing plans, planning to transition the refrigerator recycling program from one vendor (JACO) to another (ARCA), and incorporating a new pop-up retail vendor, TechniArt. In addition to discussing the myriad activities associated with transitioning existing program activities, those involved with the transition also discussed potential program enhancements and/or additional measures, including midstream appliances, advanced power strips, a new label for manufactured homes, and potential partnerships with nonprofits.<sup>2</sup>

In the following sub-sections, we summarize the activities and outcomes associated with various program components, including:

- Simple Steps (Lighting and Showerheads)
- Refrigerator recycling
- Appliances
- New manufactured homes
- Kits and giveaways
- TechniArt

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<sup>1</sup> Simple Steps has been active in the Northwest since April 2010. It replaced the former Change A Light CFL promotion, which ran from 2006 to 2010.

<sup>2</sup> Energy Trust had previously engaged with local nonprofits and allowed customers to donate rebates for certain measures to these nonprofits.

### 2.2.1 Simple Steps (Lighting and Showerheads)

Prior to 2015, the bulk of the program savings accrued through retail sales of lighting and showerheads was occurring through the regional Simple Steps<sup>3</sup> program, managed by CLEARresult. PECEI, the outgoing PMC, had interacted with Simple Steps as a participant, purchasing savings on behalf of Energy Trust proportional to Energy Trust's territory from Simple Steps-managed stores in Oregon. With the transition away from Simple Steps, Ecova and Energy Trust sought to establish an Energy Trust brand to replace Simple Steps in Energy Trust territory. Because of the volume of sales and relative importance of this program component, the ramifications of the transition out of Simple Steps was a primary topic of early transition meetings.

In the first few months of the transition period, the transition team began the process of separating the Energy Trust program from Simple Steps. This was a relatively complicated process, affected by the calculations embedded in the Regional Sales Allocation Tool (RSAT) and the mechanism through which the different program vendors were to be paid. The RSAT estimates the sales to customers of each utility at any given store based on the surrounding service territory. For example, a store in downtown Portland might be allocated 100% to Energy Trust based on information about customer distribution, while a store in McMinnville might be shared 60% Energy Trust and 40% McMinnville Water and Light, depending on the distribution of customers at that store. By mid-September, Energy Trust had established that Ecova would manage the retail product component of the program in any store for which the RSAT allocated 50.1% or more to Energy Trust.<sup>4</sup> Not all retailers are covered by RSAT, and any that are not can be added with Ecova's recommendation and Energy Trust's approval. BPA updates the RSAT regularly to support regional programs.

Early in the transition process, a point of contact and schedule for on-going regional coordination meetings had been established. By the end of October 2014, Ecova had learned the current Simple Steps lighting and showerhead procedures and materials in anticipation of taking over store management on behalf of Energy Trust. By December 2014, a strategy was in place for handling the allocation of sales in retail sites located in overlapping territories. A retailer roll-out and territory map was also developed, but the organizational infrastructure to facilitate regional collaboration was still under development at the end of the year.

Ecova issues a Request for Proposals (RFP) annually to choose partners for the upcoming program year. To support the transition process, this RFP was released in September 2014 with the goal of establishing new Memoranda of Understanding (MOU) with manufacturer/retailer partners able to commit to the requirements of the program. Forty seven responses were received, and by the end of December, partner agreements had been finalized. Also in November and December 2014, joint PECEI/CLEARresult and Ecova retailer visits were

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<sup>3</sup> While most of the savings obtained from Simple Steps come from retail lighting promotion, the program also included direct install, direct mail, and bulk purchase opportunities for CFLs, LEDs, lighting fixtures, showerheads, and advanced power strips.

<sup>4</sup> A few retail chains were excluded from this threshold based on the complexity of the existing relationships.

scheduled to facilitate a hand off of retailer relationships and answer questions about how the marketing and product support would occur after the beginning of 2015.

In addition to the sales allocation and its effect on assignment to Energy Trust or Simple Steps management, the transition team had to consider BPA's sales forecast for Simple Steps and the likelihood that BPA would purchase qualified energy savings at Energy Trust-managed stores for the portion of sales not expected to accrue to customers living in Energy Trust territory. Early in the transition, those involved worked to identify an approach that would work for both Energy Trust and Simple Steps. The ultimate solution to this coordination was affected by the re-bidding of the Simple Steps program implementation, and subsequent contract revisions that occurred in early 2015. This issue is discussed later in the report and had not been fully resolved as of report writing.

### **Showerheads**

Simple Steps included both lighting and *WaterSense*-qualified showerheads. While both of these products were transitioned to Energy Trust-managed stores under Ecova, showerheads were somewhat more difficult to shift because the RSAT does not track natural gas utilities and Simple Steps was not designed to capture regional savings associated with natural gas water heating. Allocation of gas savings for showerheads required additional coordination.

PECI provided Ecova with the water heat fuel split that had been used in 2014. The retail allocation split used in 2015 was provided to Ecova by Energy Trust Planning. The allocation works similar to RSAT, and is treated as an addendum to the RSAT (specific to natural gas measures).

### **2.2.2 Refrigerator Recycling**

Another major change for the Products Program involved shifting the appliance recycling program from one vendor (JACO) to another (ARCA). Because appliance recycling is the program component involving the most direct contact with customers, including scheduling and in-home pick up, this component received substantial attention in order to address call center processes, establish protocols for validation and customer qualification, provision of in-bound phone numbers, and updating collateral. Transition planning included arrangements for "warm transfers" from JACO to ARCA as the services transitioned from one contractor to another. Customer validation required steps that had not been anticipated by ARCA, because of restricted access to customer data. Customers calling in can be validated in a variety of ways including zip code or address. For zip codes that are shared among utilities (where some residents will qualify while others will not) zip code alone is insufficient to determine qualification. Ecova and Energy Trust worked with ARCA to set up a system through which they could validate customers without sending them to Energy Trust.

The Master Service Agreement (MSA) between Ecova and ARCA had been fully executed by the end of September 2014 and the two organizations immediately turned to negotiating a statement of work for the transition period. To ensure a smooth transition for customers needing appliance recycling services during the program hand-off, both ARCA and JACO call centers



were expected to accept calls between December 17, 2014 and December 23, 2014, routing the calls as appropriate depending on the customer's desired pick up date (pick up after December 31, 2014 was to be provided by ARCA). Because of issues coordinating the hand-off from JACO to ARCA, the official cutoff date for JACO was extended to January 22, 2015, overlapping somewhat with the a period in late December 2014 and early January 2015 when ARCA was expected to receive all appliance recycling calls first. This overlap allowed JACO to complete scheduled pickups and submit paperwork while ARCA began taking all new calls.

### **2.2.3 Appliances**

The appliance component of the program was not changed substantially during the transition period, although Energy Trust expected Ecova to develop a midstream appliance offer to test the viability of moving away from downstream incentives provided through point-of-purchase application material. No incentive changes were proposed for 2015. Ecova conducted shelf studies and price research to guide proposed changes to appliance offerings expected later in 2015. As part of the transition process, Ecova and PECl developed a "handoff letter" for appliance retailers and scheduled joint field visits at priority retail locations.

A change in the Energy Star refrigerator specification raised efficiency performance on qualified products by 10%. Ecova and Energy Trust planned for implementing this new specification, established a sell-through grace period, and monitored the shift to new Energy Star standards.

### **2.2.4 New Manufactured Homes**

Ecova subcontracted with Earth Advantage to continue the role they had in previous program years supporting the new manufactured homes portion of the Products program. As part of their subcontractor agreement for the post-2015 Products program, Earth Advantage is expected to develop an Energy Performance Score (EPS) for new manufactured homes that reflects the level of energy efficient features and quality of construction contained in a given home. Eventually, data collected from the actual performance of EPS-scored homes should be sufficient to inform reliable estimates of energy savings associated with specific features (or with a specific EPS score). This approach expands Energy Trust's current approach for new home rating and labeling to the new manufactured home market. PECl had managed this component of the program previously and during the transition period arranged for joint field visits with Ecova and Earth Advantage in order to ensure the retailers and dealers involved in promoting energy efficient new manufactured homes were informed of the transition.

### **2.2.5 Kits & Giveaways**

The Kits and Giveaways component provides access to information and products expected to help underserved customers benefit from energy efficiency. Products are distributed through community-based organizations and through community outreach offices run by Portland General Electric (PGE).

The two primary components of the program, Carry Home Savings and the Community Office distribution, both provide energy efficient products at no cost to customers residing in Energy Trust territory. Carry Home Savings is specifically designed to be distributed to low-income

customers and includes kits distributed through food pantries and utility assistance agencies. The kits can be modified for distribution to gas-only customers (NW Natural and Cascade Natural Gas).

As part of the transition process, Ecova transferred the relationship with the kit vendor, Ecotone, from PECl to Ecova, and developed an MOU through which participating agencies were expected to be engaged. Eleven agencies participated in the Carry Home Savings kit promotion in 2014. The process of recruiting and engaging agencies proceeded slowly at the beginning of 2015, but outreach efforts undertaken in the second quarter of 2015 resulted in 15 additional MOUs from agencies that had not previously participated.

The transition process for the PGE Community Office giveaways was relatively straightforward, and Ecova expected to continue product-of-the-month promotions, scheduled to occur between February 2015 and November 2015.

### 2.2.6 TechniArt

Inclusion of pop-up retail vendor TechniArt in the 2015 Products program represented a new program element specifically expected to provide access to energy efficient products in areas without retail participation (but within Energy Trust's service territory). TechniArt was not a major topic of early transition meetings, and is not included in monthly reports between September and December 2014. Notes from transition team meetings indicate those involved were focused on providing guidance to TechniArt about the specific zip codes and targeted large customers (private employers willing to host a pop-up retail event, whose employees are likely to reside in Energy Trust's service territory). Determining the right mix of Energy Trust eligibility and rural outreach benefit while avoiding areas already served by participating retailers involved coordination between Energy Trust marketing staff, Ecova, and outgoing contacts at PECl. A complete list of prescreened targeted locations, including over 900 private businesses and 40 public events, was eventually prepared and provided to TechniArt in January 2015.

## 2.3 General Transition Issues

With contract approval and a transition agreement in place, Ecova began establishing the infrastructure to deliver the program, including: hiring and training staff, developing reporting and tracking systems that would communicate with Energy Trust's information technology platform, and creating plans to support marketing efforts for all existing and new program components.

### *Hiring and Training*

The program manager and marketing manager had both been hired by the end of September 2014 and additional program staff were steadily brought on board until the end of November 2014, when the program was fully staffed. Ecova developed a training plan and all program staff were trained by the end of December 2014.

## ***Marketing***

Ecova worked directly with Energy Trust marketing staff to develop a customer engagement map and a marketing strategy plan for the transition. These preliminary documents were complete in August 2014. Marketing staff developed creative briefs to support the January 2015 transition for lighting and showerheads. In November 2014, point-of-purchase packages were created for specific store types and co-branding scenarios (including co-branding with public utilities participating in Simple Steps through stores with overlapping customer bases). Energy Trust marketing staff review all Ecova-developed materials to ensure that the look and messaging is consistent with the organization's overall marketing approach. Approved materials were distributed to the field team in December 2014.

## ***Information Technology***

Notes and monthly reports throughout the transition period reflect the importance and relative complexity of integrating tracking systems and developing seamless transfer of data among vendors sufficient to support invoicing and to provide robust program tracking. An IT Project Plan was developed in August 2014 and supported by IT project managers at Energy Trust. Twice weekly IT coordination meetings provided an opportunity for those involved at Ecova and Energy Trust to work through the myriad details involved in aligning IT platforms for accurate data transfer. Quality assurance testing began in November as Ecova completed the build out of their tracking system expected to facilitate information exchange.

In addition to adapting their own platform, Ecova staff required detailed training of the systems employed by Energy Trust: specifically, Energy Trust's project and measure tracking system (FastTrack) and customer relationship management (CRM) system used to support Energy Trust program management.

## ***Program Plans & Goals***

As part of the transition process, Ecova worked with Energy Trust to develop a program planning document to guide 2015 activities and establish the objectives, assumptions, as well as risks and challenges associated with each of the main program activities.

The goals for 2015 are presented in Table 2-1. The program expects to drive a large volume of cost-effective electric savings through lighting. Incentives for new LED technologies are expected to represent an increasing portion of the overall measure mix. Program plans assume that regional coordination issues with Simple Steps can be resolved and that these relationships can be leveraged to provide seamless program services across multiple service territories.

The appliance portion of the program is poised for change as both Simple Steps and the Products program prepare to provide mid-stream incentives for appliances expected to affect stocking practices among participating retailers but be largely invisible to end-use customers. In addition to this shift toward a mid-stream program model, the appliance component of the program will need to adapt to changing standards for refrigerators and clothes washers, and explore the addition of high efficiency clothes dryers. Shelf studies and pricing research confirmed a previously-identified gap in the supply of qualified, efficient refrigerators priced

below \$1,000. It is expected that deployment of a mid-stream pilot could provide additional leverage with participating retailers, including an expectation that they will stock qualified models at every price point.

**Table 2-1 Products Program: 2015 Goals**

Measure	Units	kWh Savings	Therm Savings
CFL	2,835,708	44,225,144	--
LED	597,158	9,944,667	--
Showerheads	33,660	4,730,226	153,794
Kits and giveaways	43,000	5,244,689	67,560
Appliances (refrigerators, freezers, and clothes washers)	20,349	1,207,723	6,412
Refrigerator and Freezer Recycling	16,686	6,517,022	--
New Manufactured Homes	120	700,907	800

## 2.4 Post-Transition: Early 2015

This section provides a summary of the first few months of activities for the Products program. Readers should note that issues emerging early in the program year have likely been addressed to some extent as of this report (August 2015).

January 2015 marked the official launch of Ecova’s management of the Products program and included the shift of all program toll-free numbers and the launch of Energy Trust-branded point-of-sale materials at many retail locations that had previously stocked Simple Steps-branded products. Data exchange and IT processes had been resolved sufficiently to support data exchanges for sales reporting and invoicing.

In 2014, Energy Trust decided to move away from the regionally branded Simple Steps program in an effort to obtain more control over retail program activities and to ensure that promotions were more consistently branded with other Energy Trust collateral at retail (e.g., appliances). Energy Trust-branded materials include wobblers (cards that stick out into shopping aisles, but are attached to shelves), shelf stickers, floor decals (placed on the floor directly in front of the promoted product), endcap signage, window decals, and buttons for sales staff to wear. Wobblers can be large or small, depending on the level of participation the manufacturer and retailer agree to. Figure 2-1 provides an example of a 5 X 8.5 shelf wobbler promoting efficient lighting products. Figure 2-2 shows how the wobbler, floor decal, and endcap signage work together to create a coherent experience.

Figure 2-1: Example Shelf Wobbler



## TREAT LEFT-THE-LIGHTS-ON- FEVER

  **REPLACE TRADITIONAL BULBS  
WITH CFLs AND LEDs**

Choose ENERGY STAR® CFLs and LEDs. They'll remember to use up to 85 percent less energy even if you forget to turn them off.

**+**  
Get discount pricing on qualifying CFLs and LEDs.

**DISCOUNTS PROVIDED BY:**



MONMOUTH  
POWER & LIGHT



Clark  
Public  
Utilities



Energy Trust  
of Oregon



Salem Electric  
SERVING KEIZER AND SALEM



CENTRAL ELECTRIC  
COOPERATIVE

LW-1

SHELF WOBBLER: 5 X 8.5"

**Figure 2-2: Retail Point-of-Purchase Campaign Materials**



The intentional focus on ensuring that the lighting component of the program transitioned without a drop in sales (and corresponding energy savings) is evident in the fact that 38 lighting promotions were contracted in the first month of program implementation. Seventeen manufacturers and 18 retailers were engaged with the program at the beginning of 2015, providing discounts for over 400 CFL and LED products. While both manufacturers and retailers are both involved with the program, the manufacturer owns the relationship with the retailer and the program pays incentives directly to the manufacturer for point-of-sale data provided by retailers to manufacturers, which are then submitted to Ecova for invoicing. Program field staff visit retail stores regularly to place point-of-purchase materials and interact with retailer staff.

Some transition activities continued into January, including: PECl provided training to Ecova on updating the qualified products list for appliances, and the completion of data collection by Ecova staff on the inventory, pricing, and stocking of refrigerators at 10 big box retail locations. This data collection informed the expected timing of implementing a new 2015 program specification for refrigerators and guided decisions around the viability of proposed mid-stream appliance rebate pilots. This research also indicated that the implementation of the new standard will result in more than 300 new models qualifying for the program, while fewer than 10 models would be removed from the list.

Monthly reports covering the first few months of 2015 reflect a slow start for retail showerheads, kits, and other give away products—all of which had achieved less than 10% of their annual unit goals by the end of April 2015. Later-than-anticipated showerhead promotions in Ecova-run stores, reporting delays from CLEAResult-run stores, and lack of response from agencies that had previously participated in Carry Home Savings kit promotion all affected the program's early estimates of therm savings.

Ecova and Energy Trust continued to work through details of possible program enhancements for 2015 and 2016. As of early May 2015, potential enhancements and innovations<sup>5</sup> included:

- ***Super-efficient clothes dryers.*** A focus of regional research and a potential appliance addition.
- ***Tier 2 Advanced Power Strips (APS).*** Considered as an addition, but requiring additional research to confirm savings estimates from field testing.
- ***Clothes washer recycling.*** Under consideration as a possible addition to the appliance recycling component.
- ***Up- or mid-stream appliance strategy.*** Under consideration as a strategy for expanding appliance program participation and/or the mix of measures.
- ***LED niche applications.*** Potential for expanding LED measures to include grow lights, security lights, and shop lights under consideration.
- ***Linking water and energy efficiency promotions.*** Consideration of collaboration with water agencies' conservation efforts.
- ***Enhanced on-line engagement*** opportunities for promoting qualified products and to support shoppers that research options through web searches.

The first few months of 2015 provided Ecova and Energy Trust with opportunities to solidify operations and procedures and focus on stabilizing expectations. The March 2015 Monthly Report notes that while implementation contractor transitions often result in a savings reduction as systems and promotions are developed in the first few months of a new contract, the retail lighting component of the program had been effectively supported by transition planning and was acquiring savings at a steady, expected level.

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<sup>5</sup> As reported in the April 2015 Monthly Report.

With the bulk of the transition activities behind them, Ecova staff completed a detailed program implementation manual that documents expectations for the flow of information, the level of quality assurance, marketing materials and review processes, and provides a brief description of each component of the program. Savings assumptions and incentive levels are also documented in the program implementation manual, although these may change for products with dynamic markets, such as LEDs. Subcontractors ARCA, Earth Advantage, and TechniArt began implementation activities in earnest and progress began to accrue on newer elements of the program, including the first pop-up retail events and testing of the new manufactured homes EPS.



## 3 Experience of Staff & Stakeholders

This section presents findings from 12 in-depth interviews conducted with staff at Energy Trust and Ecova, contacts from organizations subcontracted to deliver specific components of the program, and stakeholders involved in delivering the Simple Steps, Smart Savings program. Interviews occurred between June 1, 2015 and July 10, 2015 and lasted between 45 minutes and two hours. Interviews covered a range of topics, including: experience with the transition process; current program operations and enhancements, and ideas for program improvement. Interview data were coded and are summarized below. In an effort to avoid attributing specific responses, interviewees are described as Energy Trust or Ecova staff, subcontracted staff, and stakeholders associated with the regional Simple Steps program.

We begin with a summary of findings, and then summarize:

- Transition roles
- Transition experience
- Resolution of challenges
- Current program operations
- Opportunities for improvement

### 3.1 Summary

Staff and stakeholders most closely involved in the transition period largely agreed that the transition period, including overlapping contracts that facilitated coordination and compensated the implementers for their efforts, provided sufficient opportunity for planning and testing procedures prior to official launch. The Products program contains six<sup>1</sup> separate, largely independent, components. Not all of these components were prioritized equally during the transition period. The transition team intentionally focused on two key components of the program: retail lighting and appliance recycling. Unsurprisingly, other components of the program (showerhead promotions, pop-up retail, appliance rebates, new manufactured homes and kits) were progressing slower in the early months of 2015 and received additional attention.

Those closest to the transition process noted that two primary components of the transition process seemed to be most important: first, a dedicated launch manager at Ecova provided continuity from contract signing through staffing and launch; and second, a transition contract established for both the incumbent and new PMC firms created an incentive for the competing firms to cooperate and ensure a smooth hand off. Integrating new program contractors and new program components resulted in minor issues around clarifying expectations, establishing new

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<sup>1</sup> The Products program often combines retail lighting and showerhead promotions, as they are delivered in a similar manner, however the two products involve different sets of manufacturers and (occasionally) retailers. Showerhead promotions lagged retail lighting in early 2015.

relationships, and monitoring service level agreements. At Energy Trust, the transition period was affected by an unexpectedly high level of staff turnover within the residential program, as well as Planning and IT. As other staff members stepped in to continue the transition process, some of the continuity and organizational knowledge was lost. Regardless, those involved reported working through these changes and staying focused on achieving an orderly transition of program activities from PECl to Ecova.

By June 2015 most of the transition-specific issues were largely resolved and the program staff began turning attention to peripheral components of the program, some of which had been de-emphasized during transition planning and in the early months of 2015 to ensure the retail lighting and appliance recycling portions of the program remained stable through the transition (retail lighting for its contribution to overall program sales, and appliance recycling as the implementation contractor for this high touch customer program was changing). Appliance rebates, showerhead promotions, pop-up retail, kits and giveaways all received more focused attention in early 2015 than they had during the transition contract period in Fall 2014.

Coordination with the regional Simple Steps program emerged as a challenge several months into 2015, in part because of changes to Bonneville Power Administration's (BPA) contract with its regional program implementer, CLEAResult, and in part because of unforeseen complexities in sales allocation using the RSAT and changes in BPA's price structure that affected transactions for savings acquired at shared stores. The new Simple Steps contract shifted the payment structure from a price per unit sold to a kWh payment (12 cents per kWh). In addition, BPA reduced its willingness to purchase savings obtained from stores that sell to customers of nonparticipating utilities. To some extent the two issues are interrelated—as the new BPA contract changed payment assumptions and reduced BPA's commitment to purchase savings on behalf of the region, what had been minor issues associated with differences in payment calculations were dwarfed by the exposure associated with purchasing savings that cannot be claimed. In June 2015, Ecova rebalanced the lighting program portfolio and implemented strategies to reduce the cost of unclaimed sales, however, the program continued to work on resolving coordination issues during the interview period for this project.

## 3.2 Transition Roles

Contacts reported varied involvement in the specific transition activities. Ecova and Energy Trust staff had the most involvement with the detailed planning activities required to transition the program from PECl to Ecova.

At Ecova, the transition process was managed primarily by a Senior Project Launch Manager, an experienced transition manager focused on providing continuity for new programs from contract negotiation through early implementation. The Senior Project Launch Manager was responsible for establishing the infrastructure and framework that guided program activities as the Program Manager and other key staff were hired. As the Program Manager came up to speed, the Launch Manager gradually handed off activities and responsibilities until the Program Manager was fully in control. For the Products program, this hand off took several

months. The Program Manager started by the end of September 2014, approximately two months into the program transition process. She immediately turned to several key transition tasks:

- Reviewing the proposed program budget and proposing adjustments as appropriate.
- Understanding the requirements for system integration and collaboration with Simple Steps.
- Developing a solid understanding of the measures promoted by the program, the program components, and the role of each subcontractor.
- Reviewing point-of-purchase materials to support the shift from Simple Steps-branded products to Energy Trust branding.
- Hiring and on-boarding the rest of the program team.

Both the Launch Manager and Program Manager reported focusing on system integration requirements, specifically how the Ecova system would integrate with Energy Trust's FastTrack and customer relationship management (CRM) systems.

At Energy Trust, the transition process was managed primarily by a Project Manager assigned to the rebid. The Project Manager worked directly with the Energy Trust Program Manager and an internal transition project team that included Energy Trust representatives from Planning & Evaluation, Communications and Customer Service, Finance, IT, and Marketing to support the internal transition process. Transition activities were guided by modifications to the existing contract scope for the incumbent PMC, and a transition-specific contract with Ecova, which reflected a steady ramp up of activities as the transition date drew nearer. Staff changes in program leadership at Energy Trust resulted in additional responsibility for the Project Manager at Energy Trust until a new Program Manager was assigned in mid-November 2014. Marketing and IT staff at Energy Trust were also engaged early and focused on ensuring that those components were successfully adapted. IT integration was also affected by changes in key IT contacts at Energy Trust, and required that a new point of contact be assigned.

Those involved in delivering subcontracted components of the program had less intensive and direct coordination with Energy Trust, and instead described interacting primarily with Ecova through the transition process. Subcontractors that had been involved in the program through the prior implementation contract described their transition activities as minimal, and primarily focused on sharing information. ARCA, as a new refrigerator recycling vendor with substantial potential for direct consumer contact, reported more involvement with the transition team: establishing call center protocols, hosting visits from program representatives, establishing the recycling center, and determining customer validation protocols.

## 3.3 Transition Experience

### 3.3.1 Positives

Energy Trust contacts reported that the PMC transition process for the Products program went smoother than other transitions, indicating that Energy Trust is “getting better at it” in terms of planning for successful transitions. As one contact noted, “we are more proactive about figuring out what we need to do in advance of the transition as opposed to cleaning it up afterwards.” A key component, cited by both Energy Trust and Ecova staff, was the transition contract with specific deliverables that enabled a grace period of PMC overlap. This contract encouraged collaboration and provided time to conduct tests on data uploads and tracking system requirements, and predict the customer experience.

The dual-contract transition process provided sufficient time for planning and hand off with PECl — needed to manage both the PMC shift itself as well as the transition away from Simple Steps. Ecova staff reported success in getting agreements in place with retailers and manufacturers in time to maintain seamless product supply. As one contact explained, “Energy Trust was forward thinking in this—they looked forward and held back some of their program budget to have the current implementer and new implementer overlap for a few months. Both parties had an incentive to work together, since they were both under contract.”

Contacts from subcontracted organizations also described being aware of substantial coordination occurring between PECl and Ecova. Through this coordination, PECl field representatives introduced product and new manufactured home retailers to new contacts at Ecova and Earth Advantage. Ecova staff attended joint field visits with CLEAResult staff at store locations that were to convert from Simple Steps to Energy Trust management, noting that these visits were helpful and CLEAResult staff were supportive. Contacts noted that protecting the relationships established in prior program years was important, as those relationships will continue to be important as the program evolves. According to one contact involved in the transition at Energy Trust, the legacy PECl staff “did an exceptional job in handing off their contacts, their processes, and identifying things to watch out for.”

Staff at Ecova and Energy Trust saw the value in having an assigned Launch Manager to navigate the transition process and support new program leadership and provide continuity from contract signing to full scale launch. At Energy Trust, a similar role existed in the Project Manager assigned to the transition. Based on lessons learned from other transitions, he established a project charter document, identified success metrics, embedded deliverables in the Scope of Work, and created a log of decisions. Specific expert points of contact worked with their counterparts in marketing, IT, communication, and program operations. In addition, Energy Trust set up a SharePoint site through which incumbent and new PMC contacts could coordinate and communicate and Energy Trust could provide guidance. This site proved valuable in establishing a forum for communication that reduced the potential for items to get lost in email distributions. It also removed some of the awkwardness associated with program hand-off among staff at competing firms.

The New Manufactured Homes component was mentioned by several contacts as a particularly smooth component of the program transition. This component of the program existed before, but had been housed under the umbrella New Homes and Products program. With the re-bid and split of the two program components, the New Manufactured Homes became part of the Products Program.

Ultimately, staff at both Energy Trust and Ecova note that the success of the program transition can be seen in the retail portion of the program, by far the largest component of the Products program: participating stores remained engaged, savings obtained from retail remained stable, and the program did not stumble out of the gate.

As one Energy Trust contact noted, *“The positives are in excess of the negatives. The main issue is that this program handles large amounts of data. This is a major issue for this program and has gone well. So far, the front end investments in systems and operational integration worked well. We’ve done transitions where the deficiencies were discovered after we went live and it resulted in dips in savings acquisition in the first six months. We haven’t experienced the dip in savings that we usually see.”*

### 3.3.2 Challenges

Subcontractors (ARCA, Earth Advantage, and TechniArt) reported few challenges with the transition, noting that communication from Ecova had been good throughout the transition. For subcontractors, particularly those new to Energy Trust, the primary challenges involved the need to build a relationship with a new client and understand the difference in how Energy Trust works relative to a utility. Examples of the difference include limited access to customer databases used to verify eligibility and lack of key account representative relationships available to assist in accessing large commercial and industrial customers to host TechniArt events. Contacts mentioned a few relatively minor tasks that were in progress at the point of transition and that are now in the queue at Energy Trust, including online incentive applications for new manufactured homes sales incentives and other enhancements to online forms.

#### **Simple Steps**

Prior to the 2015 transition, PECl had run the Products program and interacted with Simple Steps as a participant, purchasing Energy Trust attributable sales from CLEAResult. With the transition away from Simple Steps, Ecova and Energy Trust sought to establish an Energy Trust brand to replace Simple Steps in Energy Trust territory. As a BPA-supported platform, Simple Steps serves utilities throughout the Northwest, although many BPA customer utilities do not participate—which creates gaps in availability. For Simple Steps specifically, challenges emerged in setting up tracking systems for successfully exchanging sales occurring in stores served by both Energy Trust and Simple Steps-participating utilities. Three main challenges emerged in the transition away from Simple Steps:

- **The approach to allocating stores in the fringes or margins of Energy Trust’s service territory.** Using the Regional Sales Allocation Tool, the Products program staff identified stores with sales allocated to multiple utilities and established a threshold of

50% Energy Trust sales for stores that would be managed by Ecova. This eliminated Simple Steps from stores in areas served by participating municipal utilities, but where a majority of shoppers live in Energy Trust's service territory.

- **The approach to transferring or selling savings acquired in these “fringe” stores back to BPA or Simple Steps.** Throughout the transition period, Energy Trust and the Products program staff had understood that BPA would acquire savings obtained in stores served by BPA utilities, regardless of the specific participation status of those utilities. A re-bid of the Simple Steps program in early 2015 changed the formula by which this occurred and reduced BPA's willingness to purchase savings from nonparticipating utility territories.<sup>2</sup> On-going communication will likely be required as the unclaimed sales associated with nonparticipating utilities will continue to fluctuate as utilities opt into and out of participation in Simple Steps.
- **Incompatibilities between the two implementation firms' data platforms.** While Ecova was able to modify their system to work directly with Energy Trust's project tracking system, a similar task had not been allocated for exchanging sales and invoicing with CLEAResult's system.

Contacts at Energy Trust, Ecova, CLEAResult, and BPA all noted that in hindsight better documentation of communication, program assumptions, and specific decisions could have helped avoid some of the miscommunication that occurred. According to one contact close to the transition process, *“The only part that's not going well is the collaboration with Simple Steps. There wasn't a clear path between the political issues and the program staff at Energy Trust. BPA was revising their contract pricing structure, and some verbal agreements haven't worked out.”*

### 3.3.3 Prioritization of Program Components

While not a true challenge, contacts at both Energy Trust and Ecova reported that several elements of the transition were affected by an Energy Trust decision to implement changes to two main components of the program more rapidly than anticipated. The original plan, as outlined in the RFP, anticipated that the new implementer would spend the first quarter of 2015 managing the program without major changes and developing a deeper understanding of how the program was operating prior to implementing proposed changes and innovations. Early in the transition, Energy Trust decided to push forward the switch from JACO to ARCA for refrigerator recycling and transition out of Simple Steps. These decisions diverted most of the attention toward the retail lighting and showerheads and refrigerator recycling components of the program—arguably the two most important components of the program. Program contacts confirmed that because the retail lighting and showerheads component is the most important aspect of the program from a savings acquisition perspective and refrigerator recycling has the most direct contact with end use customers, it was logical for Energy Trust to prioritize enhancements and changes to those two elements. However, perhaps as a consequence of this strategy, peripheral components were underperforming in mid-2015 and required attention.

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<sup>2</sup> BPA's willingness to pay for nonparticipant utility savings shrank to 20% of sales from 40%, depending on the volume and location of a given store.

As one Energy Trust contact noted, *“There wasn’t anything we walked away from because of the transition, more about the decision to stage things. I say that now. If we had done everything all at once and had problems with the lighting component, we would be saying that we should have focused on the most important part of the program.”*

### 3.4 Resolution of Challenges

Contacts were asked about how challenges had been resolved, or if they remained unresolved, what plans might be in place for resolution. For the most part, challenges encountered had been minor and were resolved with additional communication or clarification. This was particularly true for the adjustments required by subcontractors new to interacting with Energy Trust – resolving questions about verification processes and W-9 requirements for refrigerator recycling and the timing required to schedule pop-up retail events. Ecova has begun to focus on the peripheral components of the program, particularly showerhead distribution and sales, which is the main source of natural gas savings for the program, and on shifting the appliance program towards mid-stream incentives in an effort to encourage greater diversity in price and model availability, particularly for refrigerators.

Challenges in coordinating with Simple Steps had not fully been resolved as of the writing of this report; however, all involved expressed a desire to do so and valued the potential for enhanced regional coordination. A sticking point continues to be the cost associated with adapting Ecova and CLEAResult’s systems to allow for seamless transactions of savings allocated to one program or the other. It is important to note that while challenges emerged in the Simple Steps coordination, the issue centers on a small portion of the overall savings in a small portion of stores. Both programs are still acquiring substantial volumes of savings and the implementation firms involved are invoicing each other regularly.

### 3.5 Current Program Operations

This section describes how the program is currently operating with regard to the various program components, including: lighting and showerheads, Simple Steps, refrigerator recycling, appliances, new manufactured homes, kits and giveaways, and TechniArt.

#### 3.5.1 Lighting and Showerheads

The retail component of the program, particularly sales of LED lamps and fixtures, is performing as expected. LED products continue to transform at a much quicker rate than expected and incentives for LEDs will need to be monitored to ensure they remain under the incentive budget for LEDs. Downward adjustments to LED incentives are likely in Fall 2015.

Showerhead savings were below expectations for the first half of 2015, which likely reflect a combination of early focus on ensuring the retail lighting component was on track (delaying showerhead promotions in Ecova run-stores) and unexpected hurdles associated with:

- Delayed reporting of retail showerhead sales in CLEAResult-run stores

- Time required to recruit new agencies for the 2015 Low Income Carry Home the Savings promotion. (Agencies must renew their commitment to the program each year and establish new MOUs.)
- Reduced ability of Portland Water Bureau to distribute showerheads<sup>3</sup>

Program staff are aware that showerheads, and by extension therm savings, are behind schedule. All involved in this component of the program reported considering options for long-term solutions for increasing therm savings beyond showerheads. Promoting washing machines, and adding thermostatic shut off valves and other hot water saving measures are under consideration, as are web-enabled thermostats. Therm savings for these products need to be verified by Energy Trust before they can become program offerings.

### 3.5.2 Simple Steps

Addressing the coordination issues with the stores on the fringe or border with Simple Steps remains a challenge for the program. Meetings have been consumed by resolving the issues that emerged from changes to how BPA pays CLEAResult for their activities and the trickle-through effects of these changes on Ecova and Energy Trust's savings and payment expectations. Before this change, Ecova could sell all non-Energy Trust savings to BPA. Going forward, the ability of utilities to opt in and out of Simple Steps means that the program will need to be prepared for more volatility. Ecova staff are preparing to go back to retailers and manufacturers with revised information about expected volumes. Adjustments made to-date have not been drastic: two stores with the highest volume of unclaimed savings have been subsequently excluded from the program and a reduced list of products was provided for four other stores.

### 3.5.3 Refrigerator Recycling

ARCA took over the refrigerator recycling component of the program at the end of 2014 as the program transition occurred. Refrigerator recycling is the program component with the most direct interaction with residential customers—involving scheduling and pick-up of equipment in individual homes. As such, there are more opportunities for customer complaints and service level agreements guide all customer interactions. Contacts described a few challenges early on in call center training and adherence to specific protocols, but also noted that ARCA staff had been responsive in efforts to resolve issues and that performance had stabilized within a few months of the program transition.

Of a larger concern is the apparent decline in recycling volume early in 2015. Early recycling volumes were below expectation, although the portion of pre-1993 units (representing a substantially higher level of energy savings) exceeded program goals for the first four months of 2015. (Table 3-1)

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<sup>3</sup> In 2014 Portland Water Bureau used a partnership with SmartTrips to distribute showerheads; however, this partnership ended at the beginning of 2015, and affected the distribution of showerheads in early 2015.



**Table 3-1: Refrigerator and Freezer Recycling: Pre-1993 Units**

Planning Assumption	April 2015 Year-to-Date
45%	49.19%

Lower than expected recycling volume is a concern because of lower energy savings and because of potential effects on the financial viability of the program from the perspective of the vendor. Tiered incentives, (\$20 for units manufactured after 1993 and \$40 for units manufactured before 1993) were in place for 2014 and 2015. In speculating about potential reasons for declining volumes, several contacts mentioned confusion associated with tiered incentives as well as possible competition from retailer pick up.<sup>4</sup>

### 3.5.4 Appliances

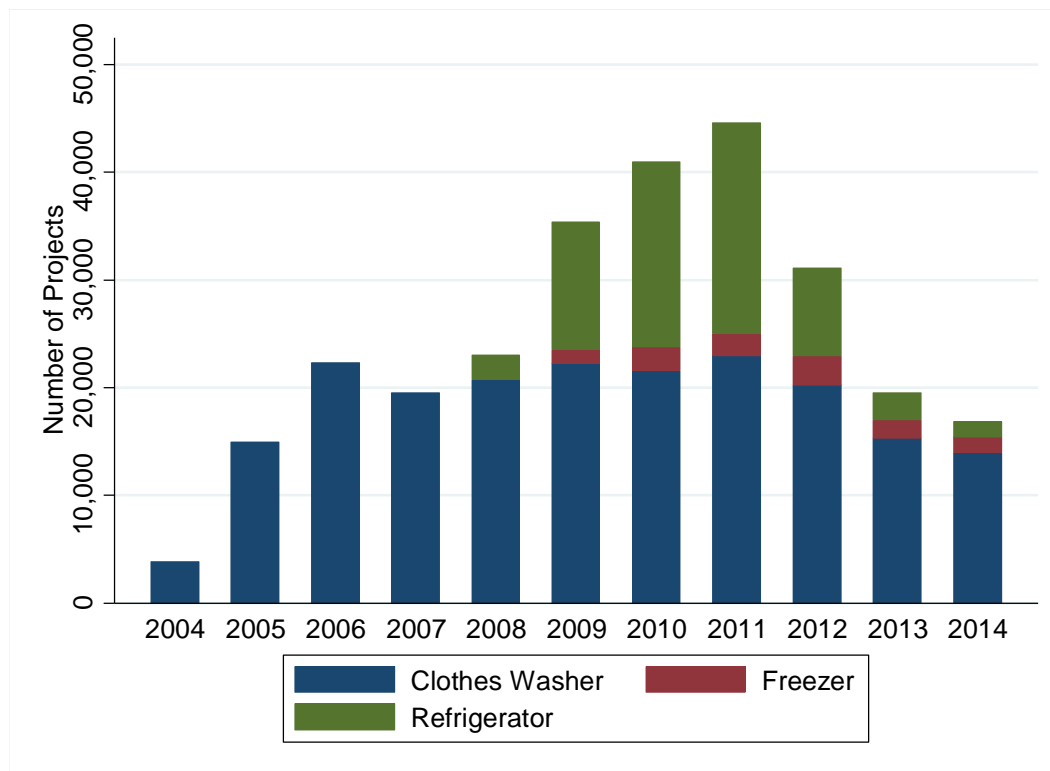
The Products program transition occurred as a new ENERGY STAR refrigerator specification was being implemented and the previously qualified products were continuing as part of a six month grace period to allow retailers to sell through existing stock and manufacturers to get new products certified. Informed by program tracking and research data indicating that the supply of lower cost qualified refrigerators had declined, program staff conducted field research to document the existing stock and collect data to inform longer term program strategies.

In discussing possible adjustments or enhancements as options to downstream transaction-based rebates, Energy Trust program staff reported needing additional visibility into the needs of manufacturers and retailers—particularly the levers that can be used to affect product assortment. The program seeks to encourage retailers to stock more lower-cost qualified products, but what is needed to make that happen and the extent to which they agree that this is desirable remains a somewhat open question.

Program contacts with exposure to the retail appliance market were asked about their insights into the time required for changes in codes and standards. The program-assumed six month grace period was found to be reasonable based on the supply of qualified refrigerator products found in the shelf study/market research conducted directly by the program in early 2015.

The looming ENERGY STAR specification change for washing machines represents a substantial increase in efficiency and could affect product supply in a more substantial way. According to one contact, “Their minimum tier is higher than our highest tier.” The degree of change has triggered conversations among organizations that promote national standards and is readjusting cost effectiveness assumptions. The effects of this specification change should emerge over the next 6-12 months and will be important to track, given the large volume of clothes washers incented relative to refrigerators and freezers over the past several years. (Figure 1).

<sup>4</sup> Note that while retailers may pick up old units, it is not certain that they are recycled appropriately – that is, removed from the secondary market.

**Figure 3-1: Products Program Appliance Volume Since 2004**

Note: These numbers may differ from official Energy Trust estimates of program activity.

Downstream incentives provided to a customer at the point of sale are becoming increasingly expensive as the cost-effectiveness thresholds decline. Those involved in promoting efficient appliances through the Products program reported searching for a more cost-effective incentive model for the future, primarily through mid-and up-stream incentives designed to affect retailer stocking decisions.

Simple Steps also launched a mid-stream appliance component in 2015. Stakeholders involved with Simple Steps described preparing to roll out appliance components that included retail buy-downs that could include refrigerators, clothes washers, freezers and dryers. BPA needed to establish a threshold of participating utilities that would justify participation and avoid risks associated with buy-down products being acquired by customers in nonparticipating territories. Allocation using the RSAT is expected for these products as well and contacts reported reaching out to Energy Trust about collaborating on the fringe stores. As of the end of June 2015, no collaboration agreement existed for appliances.

### 3.5.5 New Manufactured Homes

The New Manufactured Homes subcontractor, Earth Advantage, is developing an Energy Performance Score (EPS) to guide the new manufactured homes market as part of enhancements planned for the Products program. The EPS is aligned with Energy Trust's effort to have a score on residential structures (EPS is currently an important component of the New

Homes and Existing Homes programs). The new manufactured homes EPS is still relatively nascent and will need to accumulate modeling and performance data sufficient to provide confidence that the EPS score is associated with specific energy savings. Until that is resolved, EPS is considered primarily a marketing tool for promoting efficient options in manufactured homes.

An important part of deploying EPS in new manufactured homes is engaging the retailers and dealers that broker sales of these homes. Contacts report that preliminary reaction to a mock-up score card has gone well and that the retailers grasped the value of the information. Earth Advantage expects to deploy EPS through existing field staff, starting with retailers likely to be most engaged in promoting the option and working with them to resolve early questions. Earth Advantage also participates in regional collaboration efforts with NEEA to establish high performance new manufactured homes. When asked about opportunities for the future, contacts mentioned linking programs to financing that could help owners replace old manufactured homes and loosening requirements associated with ductless heat pump installation.

All involved noted that this component of the program was working smoothly and on track. Several noted that the level of activity expected in 2015 was relatively low, and that they expected this component of the program would increase heading into 2016.

### 3.5.6 Kits & Giveaways

The distribution of low income kits slowed during program transition as Ecova sought to establish contact with each of the community-based organizations that had been engaged with the program previously and obtain a memorandum of understanding to guide distribution of the kits. The agencies historically involved with the program provide food and weatherization assistance to low income residents and are notable for a wide range of organizational capacity, storage space, and commitment to tracking. Attention to this program component had been deemphasized during the transition to allow staff resources to focus on the retail component of the program, but staff were fully engaged by June 2015. As one contact noted, *“When we did get around to it, we [found] that the existing roster of agencies was not performing very well.”* Staff were considering options for engaging new or more robust agencies at the time interviews were conducted for this project.

*“This is one of those places where we need to get back on track. We made the decision to focus elsewhere—we need to focus on these tracks [including low-income kits and community office promotions] now.”*

Engagement with PGE’s community offices is a peripheral, but important component of the program in that it provides a unique distribution option and allows PGE to provide energy efficient products directly to customers. PGE’s community office had been distributing specific products through a “product of the month” effort. In early 2015, the key staff contact for these efforts changed, and no contact from PGE community office could be reached for an interview to support this evaluation.

### 3.5.7 TechniArt

The pop-up retail component of the program is relatively new, and Ecova, Energy Trust and the program vendor, TechniArt reported a few issues early in the program year adapting to Energy Trust's requirements for pop-up retail events. Energy Trust provided a framework for pop-up retail that assumed these events were temporary, at a place of employment, and in Energy Trust's service territory. Energy Trust also provided a list of pre-approved sites; mainly large employers. TechniArt has the ability to go beyond this list and outside of the framework, but those events must be approved by Energy Trust. Contacts noted that early in 2015, there were several instances where planning for pop-up retail outside of the framework had progressed relatively far before being reviewed and ultimately discontinued.

The first events occurred in April 2015 and will be scheduled as possible throughout the year. Pop-up retail is different from traditional retail in that the products are temporarily made available in new locations. Products can be sold from mobile stores or through pop-up displays in participating facilities. Vendor contacts noted that they had had to adapt to the approval timeline required by Energy Trust, and considered that when deciding to pursue events with rapid decision timelines. While contacts acknowledged the pop-up retail was slow to get in the field, most voiced optimism that the early communication gaps had been resolved and that the event identification and approval process would be smoother going forward.

## 3.6 Opportunities for Improvement

**Outreach to non-urban populations.** One component of the program transition was an increased focus on strategies for reaching rural or underserved customers (typically those outside of the Portland Metro area). Expanding participation among underserved populations is a component of Energy Trust's new five year strategic plan and a focus of both the Planning and Communications and Customer Service departments. Marketing staff report working with all PMCs to prepare for this and encouraging creative approaches. For their part, program staff are proud of their efforts to expand product availability into non-traditional stores like Dollar Tree and expect to continue prioritizing this for 2016. Contacts at Ecova described considering innovative marketing approaches to reach those outside Portland—radio spots, streaming media, web-based promotions and targeted pop-up retail activities are all under consideration.

For standard retail promotions, program staff are able to increase or decrease incentives as appropriate to reach specific populations. For example, while a majority of sales come from high volume retailers like Costco and Home Depot, reaching rural or underserved areas may require offering higher incentives to encourage independent stores to stock qualified products. In addition, the low-income kits can be distributed in rural regions and the pop-up retail events are expected to focus on reaching areas not currently served by the program.

The new manufactured homes component also presents an opportunity to reach underserved customers by serving customers in outlying areas.

**Marketing review.** At various points in interviews with those involved in program delivery, the time required to develop and approve marketing materials emerged as an opportunity for additional streamlining or simplification—particularly as the programs expect to evolve more quickly and position Energy Trust as a trusted advisor that can influence decisions well before customers arrive at a retail location.

**Developing online retail options and web-based marketing.** Contacts close to program design noted opportunities to improve the position of the program for those that research products online—as opposed to relying on sales floor experts. Linking product search features that promote energy efficiency to searches for targeted products, providing links to qualified products, or providing FAQ or other easy-to-use support for on-line shoppers are all potential levers for affecting product choices before the consumer steps into a retail environment. *“There is much we can do to improve our access to online shopping research. Our assumptions about how this works in brick and mortar environments [rely on] the information provided by a professional on the sales floor. We need to establish search and sort functionality to help people and guide choices.”*

**Minimize restrictions on measures and activity.** Requests for simplification that could expand qualified measures emerged from several parties engaged with the program through different efforts. One contact mentioned specific criteria and specialized lists associated with Energy Trust’s qualified lighting products, and compared this to Puget Sound Energy, which provides more overarching guidelines through which products can be screened. Another mentioned restrictions on standard heat pump technology for new manufactured homes that restricts participation for manufacturers who do not install ductless heat pumps. A third wrestled with site eligibility for pop-up retail. In every case, Energy Trust may have extremely good reasons for the specific requirements being applied—rather than indicating specific changes, these comments should be viewed as reflecting an overarching desire for less prescriptive or restrictive direction.

## 4 Experience of Manufacturers and Retailers

This section presents the results of interviews with manufacturers and retailers that participate in the Products program. Ecova provided telephone contact information for 17 retailer contacts that represent nine distinct retail outlets; telephone and email contact information was also provided for 26 manufacturer contacts representing 17 different manufacturers. Among the retailer contacts, about half participate in the lighting and showerheads segment of the program, and half participate in the appliances segment. All of the manufacturer contacts represent lighting product manufacturers. Nearly all of the retailer contacts represented participants with 2015 promotions that are continuing from prior program years; two are working with the program for the first time in 2015. In the case of the manufacturers, contacts provided by Ecova were about evenly split between participants that are offering new promotions for 2015 and participants with continuing promotions that began in prior program years.

Table 4-1 details the population of interview contacts provided by Ecova and the number of interviews completed across contact type (retailer vs. manufacturer and prior vs. new participants). Interviews occurred in August 2015 and lasted between 15 and 30 minutes.

**Table 4-1: Retailer and Manufacturer Interview Disposition**

Contact Type	Population (Unique Contacts)	Excluding Multiple Contacts for the Same Retailer/Manufacturer	Completed Interviews
<b>Retailers</b>			
Prior Participant	15	7	6
New Participant	2	2	2
<b>Manufacturers</b>			
Prior Participant	16	11	4
New Participant	10	6	3
<b>Total</b>	<b>43</b>	<b>26</b>	<b>15</b>

Retailer interviewees represented a mix of both national and local organizations. Among the appliance retailers, one interviewee represented a national chain and two interviewees represented local retailers. The national appliance retailer interviewee was a corporate center employee rather than a local store sales associate or manager. Lighting retailers all represented national chains; all of the lighting retailer interviewees were local store managers or lighting department managers. Table 4-2 presents the breakout of completed retailer interviews across retailer type and national vs. regional/local.

**Table 4-2: Profiles of Completed Retailer Interviews**

Contact Type	Completed Interviews
<b>Appliance Retailers</b>	
National Chain	1
Regional/Local	2
<b>Lighting Retailers</b>	
National Chain	5
Regional/Local	--
<b>Total</b>	<b>8</b>

The topics covered by the interviews inform two major areas of inquiry for this evaluation:

- How manufacturer and retailer program partners experienced the transition of implementation contractors.
- Retailer and manufacturer perspectives on how to address some of the challenges currently facing the program and what opportunities they see for improving and growing the program.
  - Appliance retailers were specifically asked about the factors driving the dearth of low-cost, high efficiency refrigerator models, which was identified as an issue in the prior process evaluation.<sup>1</sup>

The Nexant evaluation team also asked contacts to provide insight into timelines for stocking practices and responding to changes in standards and programs.

We begin with a summary of findings from these interviews, and then summarize:

- Transition experience
- Challenges and opportunities
- Responding to changes in standards and programs

## 4.1 Summary

Key areas of broad agreement across the 15 retailer and manufacturer interviewees include the following:

- Interviews with lighting and appliance retailers and manufacturers revealed that, from the perspective of these Products program partners, the implementation transition was smooth and orderly; interviewees could not name any additional efforts that Ecova could

<sup>1</sup> Research Into Action. Final Report: Process Evaluation of 2013 Products Program. April 22, 2014. Available at [http://assets.energytrust.org/api/assets/reports/2013\\_products\\_process\\_evaluation.pdf](http://assets.energytrust.org/api/assets/reports/2013_products_process_evaluation.pdf).

have undertaken to improve their experience with the transition. Post-transition, retailers and manufacturers are broadly satisfied with the level of service provided by Ecova;

- Retail contacts reported varying control over stocking and product assortment at the store level, with store level contacts at retail chains reporting these decisions largely occurred at the corporate level, occasionally allowing for customization as appropriate to reflect regional demand;
- Appliance retailers were not able to share any major insights as to why manufacturers are making so few low-cost energy efficient refrigerator models available on the retail sales floors;
- Retail participants involved with the showerheads component of the program require more program-related information, support, and/or training; and,
- While all contacts were aware that changes to federal standards or program requirements could affect product stocking and assortment, manufacturer contacts had specific strategies for tracking and adapting to these changes while retailers tended to adjust only after the supply changed.

## 4.2 Transition Experience

Retailers and manufacturers both widely reported a good experience as PEI transitioned out of the PMC role and as Ecova took over. All of the lighting manufacturers and about half of the retailers interviewed are aware that the Products program implementer changed in January 2015. All of the retailers and manufacturers reported that the transition went smoothly, ascribing that success to “a very good job of prepping us for it”, “enough time to do the processing”, and “really great communication.” A number of interviewees acknowledged that a change in implementers can require internal effort, but also acknowledged that Ecova could not have done more to assist with those internal efforts. As one interviewee put it, “We had a couple of hurdles that were unexpected on our end, and they helped us work through those, which is not always the case<sup>2</sup>.” Interviewees described the hurdles associated with the implementation change as:

- *“Logistical changes in terms of new accounting, different incentive levels, that sort of thing. Nothing out of the ordinary or difficult.”*
- *“We just have to unwind from the old implementer to the new implementer. It’s just internal systems.”*
- *“[We have to] do the processing and start the billing correctly for the new year.”*
- *“Any time you transition you have to make sure you’re capturing the right product, the right stores, the right incentives.”*

No retailers reported any awareness of program changes since January 2015; however one appliance retailer said that there was a gap in appliance rebate availability from January to the end of April 2015, partly due to changes to qualified models in high volume ENERGY STAR

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<sup>2</sup> This particular lighting manufacturer went on to describe how a promotion with a particular retailer fell through and praised Ecova’s flexibility in moving the budget allocation to a new promotion at a different retailer.



product lines. This contact noted that the issue was resolved in April 2015. According to program contacts, program rebates were unchanged in 2015. This contact's comment could also reflect point-of-purchase materials for appliances that were provided several months after the new point-of-purchase materials were available for lighting. Retailers also said that their experience with the program today is comparable to their experience with the program in prior years.

Some manufacturers, however, did describe experiencing changes in the program. One manufacturer talked about how the alignment of incentives with the BPA-funded lighting program (prior to 2015) resulted in lower sales volumes and corresponding energy efficiency savings for their Products program promotions.<sup>3</sup> Another lighting manufacturer spoke at length about how the program's move to a buy-down model for lighting promotions is superior to the prior on-shelf model for promoting efficient lighting purchases, allowing for far deeper access to the lighting market. Most lighting manufacturers reported that their experience with the program today is comparable to their prior experience with the program, with a few stating that now it is better ("We have better management alignment with Ecova", "with the prior implementer, they have multiple regions, so it would get complicated and you always had to make sure you gave the correct region").

Retailers did not have any strong suggestions for how Ecova or Energy Trust could make it easier to do business with and partner in the program, however retailer interviewees described two ways the program could work better for them in the future:

- Two retailers stated that they would like to see a greater variety of lighting products be added to the program, for example, "Right now I'm carrying the spotlight and the bulb, they are both selling fast. I've been getting calls for things like candelabras."
- Three retailers talked about the need for more lighting-related merchandising and education:
  - *"It seems like there's some merchandising that we're missing out on, something that says, 'hey, did you know that if you use one of these bulbs it saves you this much energy.'"*
  - *"The customer just sees the price is low, they should know why ETO is incentivizing the purchase of the bulbs."*
  - *"Everyone sees the signs that say, 'save 75% on your lighting costs and it'll last 20 years'. That's just in one ear and out the other. But if people see real dollar figures as opposed to generalizations, I think they might attach to it a bit stronger."*

Lighting manufacturers, likewise, could not name any ways that Ecova or the Energy Trust could be easier to partner with ("Ecova's been very transparent", "they've pretty much got it figured out"), but unlike the retailer interviewees, only two offered any ideas as to how the

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<sup>3</sup> Prior to 2015, the retail lighting and showerheads program was bound by BPA-funded incentives which could hinder sales volume. The current program incentive structure is more flexible and has resulted in higher sales volumes.

program could work better for them: one manufacturer suggested that Ecova allow them to invoice upon a store's receipt of the product, and another suggested that they receive a larger budget allocation.

Retailers and manufacturers were asked about what they think is currently working best about the Products program. Lighting retailers widely praised the program's ability to bring efficient bulbs to market at such a low price point. While only two retailers highlighted Ecova's program management as an aspect of what is working best about the program, many lighting manufacturers mentioned Ecova's management as the best part of the program; a couple of manufacturers praised the program for strong incentives and program budgets.

Retailers and manufacturers were unified in their satisfaction with the service and communication provided by Ecova. All respondents stated that they were satisfied or very satisfied with the service provided by Ecova. The few conditions or exceptions to total satisfaction included:

- Only one interviewed lighting retailer is new to the program in 2015: this retailer reported difficulty in learning how to correctly fill out program reporting and forms each month, stating that the process was "very confusing." The issues were cleared up by spring 2015.
- One lighting retailer stated that their program representative doesn't visit as often as they used to, and that they think the representative should come more frequently.
- One appliance retailer complained that they have a new program representative that leaves the sticker-backs from the appliance rebate stickers "on the floor and on top of the appliances."

## 4.3 Perspectives on Challenges and Opportunities

Retailers and manufacturers were asked about their opinions on both the opportunities and challenges for the Products program. Specifically, the program faces declining participation in the area of low-cost refrigerators, which appears to reflect lack of qualified product on retail floors. On the other hand, opportunities remain for growing program sales and energy savings, further streamlining program operations and improving key program outcomes.

### 4.3.1 Availability of Low-Cost, Efficient Refrigerators

Appliance retailers were asked for their thoughts on the limited availability of low-cost energy efficient refrigerators. Three appliance retailers were interviewed, and two of them offered an opinion on the dearth of low-cost qualified refrigerators<sup>4</sup>:

- *"It's just a matter of manufacturers not wanting to produce them, they'd rather people purchase bigger and better products with better margins."*
- *"Certainly the change in ENERGY STAR standards within that product category created a situation where the percent of qualified products across the assortment dropped from*

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<sup>4</sup> The third retailer said, "I don't know, you'd have to ask the manufacturers. I think it comes down to cost."

*70% to 30%. That's what the intention of ENERGY STAR was – they wanted to maintain a penetration of no more than a third in order to maintain a differentiation. Because of that we have less product visible on the sales floor because the standards have been raised. The production costs to meet those standards have increased and I guess they pass through to the customer. So the price points go up and you start to eliminate the potential for some of those lower income purchasers to even consider it. That's the tradeoff, unfortunately, of the reduced penetration of qualified products.”*

Interestingly, prior evaluations conducted for Energy Trust and observations by program staff indicate the reduction of low-cost qualified refrigerators started long before the recent ENERGY STAR standard change in September 2014.

### 4.3.2 Increasing Sales and Energy Savings

Both retailers and manufacturers were asked for their opinions on products that could be added to the program or program changes that could be made to drive increases in program sales and savings.

With respect to the appliances segment, retailers suggested that the program include other 240 V appliances, dishwashers, and requested a greater selection of laundry units be added to the list of qualified products.

Lighting retailers' suggestions to increase sales echoed these comments, requesting more point of purchase advertising or promotional materials that would help drive more sales. Lighting manufacturers similarly suggested more in-store education and promotional events. Retailers and manufacturers both suggested promoting sales by creating bundled bulb promotions (as are often used by warehouse stores). Finally, a few manufacturers mentioned that higher rebates would also serve to further increase efficient lighting sales.

Retailers that offer efficient showerheads requested more merchandising materials to educate customers; in fact, retailer contacts participating in the showerhead component of the program knew relatively little about the showerhead promotion overall.

### 4.3.3 Opportunities for Improvement

The interviews concluded with some final questions about opportunities for streamlining program processes and suggestions for how the Energy Trust could better reach rural or other underserved market segments in Oregon.

Neither retailer nor manufacturer contacts could identify areas where Ecova could streamline their program processes, describing the current program systems as “pretty simple,” “pretty easy,” “awesome for most customers,” “very elegant already,” “pretty smooth,” and “streamlined as it is.” One corporate retailer contact wanted to do away with their internal barcode scanning process, replacing it with an automatic deduction that comes off at the register. This interviewee also suggested that this process could be engineered to include a validation step whereby the customer enters their ZIP code. This retailer reports that their experience with this style of system in other regions has significantly increased redemption rates for appliance rebates while

offering greater functionality with respect to eligibility validation for the program.

Interviewees acknowledged the challenges involved in reaching rural and underserved customers for energy efficiency programs. Many interviewees admitted that they didn't know how to reach those customers. Those that offered suggestions described the following approaches:

- Include smaller stores away from the urban center in the program;
- Rural customers don't respond as well to advertising, they shop when they need things. Cross-merchandising with other products that rural people shop for is a possibility;
- Special promotions or larger rebates at discount stores (i.e., Big Lots, Dollar Tree); and
- Giveaways at food banks.

## 4.4 Changes in Standards and Programs

Opportunities for the Products program to more effectively partner with retailers and manufacturers exist if the program can understand better the effects of federal standards and program requirements on these partners and how changes in standards and programs affect store-level stocking decisions. We first discuss findings from interviews with retailers, and then discuss findings from manufacturer interviews.

### 4.4.1 Retailers

Retailers were split with respect to whether or not they track changes in federal standards and program requirements; independent appliance stores in particular reported not tracking these kinds of changes. Generally, stores that are part of a larger national organization or chain report that changes to federal standards and programs are tracked at the corporate level. These stores report that new information is conveyed to the store level from the corporate center through a variety of internal mechanisms, including: online seminars, training modules, newsfeeds and internal portals. One corporate-level retailer interviewee also explained that the corporate center cultivates relationships with the U.S. Department of Energy and the ENERGY STAR program that enable participation in the commentary and review process for changes to programs and standards. These activities do not necessarily trickle down to those managing retail assortment at specific stores, as several store-level retail chain contacts were not aware of any corporate-level tracking of federal standards and programs.

About half of the retailer contacts stated that it was important to be aware of changes in federal standards and programs; noting that retail staff need to know when stock is likely to be removed from store shelves and to be able to explain product availability to customers (e.g., phasing out incandescent lighting). Appliance retailers as a group (both independent and corporate) reported that stocking decisions are not influenced by changes in standards and programs directly, rather "it's what manufacturers have available to order and sell."

Relating specifically to local energy efficiency programs, store-level retail staff reported hearing about program changes either through internal corporate information channels or from

representatives of the program implementer. Most retailer contacts stated that information about the local energy efficiency program is important to them.

With respect to how store-level stocking decisions are made, retail chain staff typically reported that stocking decisions are made at a corporate level, not at the store level. Corporate-level staff interviewed at one retail chain corroborated these reports, but also described a feedback process whereby local conditions with respect to lead times or special offers can influence inventory and assortment decisions. However, some local staff of chain retailers report that they have at least some leeway on stocking decisions, particularly when regional differences or niche products vary the product assortment sought for a specific location:

- *“We do have a little leeway but it’s more for specialty niche items.”*
- *“I do read the recommendations. A lot of the stores are in the south and the east coast, so what works over there oftentimes doesn’t work over here.”*

Most store-level retailer staff said that they did not know how fast stocking decisions are affected by changes in standards or programs. Those that had insight into this reported a great deal of variability in the way in-store stock changes in response to programmatic changes. One store reported removing faucets from their stock in response to a change in standards pertaining to lead in plumbing products within 48 hours; another national chain retailer reported that appliance stocking changes can be pushed out to sales floors within a couple of weeks, still another retailer described how their store’s lightbulb stocking changed over a two-year period in response to changes in lighting standards:

- *“There was limited supply [of 100 Watt bulbs] for about a year, kind of hit and miss when you could find them in the warehouse. Then they did allotments and then you could get 100 W bulbs but they’re expensive. [It was] about two years from the first rumblings to when they stopped producing them.”*

#### 4.4.2 Manufacturers

Unlike lighting and appliance retailers, lighting manufacturers reported relatively uniform mechanisms for tracking and responding to changes in federal standards and programs, as well as local energy efficiency programs. All of the manufacturer contacts interviewed report that they closely monitor federal energy standards and programs, and that tracking responsibility is generally centralized to small teams or to a specific individual. Like the retailers, manufacturers also report that they hear about changes to local programs directly from the program implementers and that information on local energy efficiency programs is very important.

Lighting manufacturers cited varying levels of influence that changes in federal standards and programs can have on their product assortment. One interviewee said that changes in standards and programs are moderately influential and “sway our product roadmap for the future” while another said that such changes “includes everything in our assortment.” Others use the most stringent efficiency standards to set the bar for their nationwide assortment so that their products are able to participate in any program across the nation. With respect to assortments offered to individual stores, lighting manufacturers affect assortment decisions at

the store level to a certain extent:

- *“At the store level, especially with the independents, you’ve got folks who are deciding whether or not to stock items, and that’s a very critical piece of the decision-making process.”*
- *“We watch their quantities of items they have on the shelf so that they don’t get too many... to sell through before the standard changes again.”*
- *“Initially we put in a very conservative amount the first time and then we let the retailer determine through their own sales what’s working for them.”*

While some manufacturers described a long lead time for changes in standards and programs to affect assortment, (“months”, “6 or 8 months later”), others said that they weren’t sure or simply said that their assortment is not immediately affected by changes. These manufacturers described a strategy whereby the specifications of their assortment far exceed ENERGY STAR standards, and that their product development approach is designed to stay ahead of efficiency standards. According to these manufacturers, when standards change they are prepared and simply need to sell through products produced at the old standard.

# 5 Conclusions and Recommendations

Following the selection of a new Program Management Contractor (PMC) in July 2014, Energy Trust established a transition period of September 1, 2014 to December 31, 2014. During this period, a variety of activities occurred to support a smooth transition of program services from the previous PMC, PECl (now CLEAResult), to Ecova, Inc. Although PECl is now part of CLEAResult, this report refers to PECl as the former PMC to distinguish them from the current role CLEAResult has with the regional Simple Steps, Smart Savings™ program.

In May 2015, Energy Trust contracted with Nexant to conduct a process evaluation of the transition period and the first few months of implementation under the new PMC. This report is informed by a review of a detailed set of documents that described the meetings and other coordination activity that supported the program transition, in-depth interviews with staff and stakeholders involved directly in the transition or in the management of ancillary programs, and semi-structured interviews with contacts at participating retailer and manufacturer organizations.

## 5.1 Conclusions

The Products program contains six<sup>1</sup> separate, largely independent, components. Not all of these components were prioritized equally during the transition period. The transition team intentionally focused on two key components of the program: retail lighting and appliance recycling. Unsurprisingly, other components of the program (showerhead promotions, pop-up retail, appliance rebates, new manufactured homes and kits) were progressing slower in the early months of 2015 and received additional attention.

We found broad agreement that the transition process went well. The staff and stakeholders closest to the transition process noted that two primary components of the transition process seemed to be most important: first, a dedicated launch manager at Ecova provided continuity from contract signing through staffing and launch; and second, a transition contract established for both the incumbent and new PMC firms created an incentive for the competing firms to cooperate and ensure a smooth hand off. Integrating new program contractors and new program components resulted in minor issues around clarifying expectations, establishing new relationships, and monitoring service level agreements.

At Energy Trust, the transition period was affected by an unexpectedly high level of staff turnover within the residential program, as well as within Planning and IT. As other staff members stepped in to continue the transition process, some of the continuity and organizational knowledge was lost. Regardless, those involved reported working through these

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<sup>1</sup> The Products program often combines retail lighting and showerhead promotions, as they are delivered in a similar manner, however the two products involve different sets of manufacturers and (occasionally) retailers. Showerhead promotions lagged retail lighting in early 2015.

changes and staying focused on achieving an orderly transition of program activities from PECl to Ecova.

Participating retailer and manufacturer contacts also reported high overall satisfaction with the transition itself and with their interactions with the new PMC. Several contacts acknowledged the difficulties of transitioning program services and while a few reported minor issues in obtaining materials or information, none had major complaints.

By June 2015 most of the transition-specific issues were largely resolved and Products program staff began turning attention to peripheral components of the program, some of which had been de-emphasized during transition planning. Appliances, showerhead promotions, pop-up retail, kits & giveaways all received more focused attention in early 2015 than they had during the transition contract period at the end of 2014.

Coordination with the regional Simple Steps program emerged as a challenge several months into 2015, in part because of changes to Bonneville Power Administration's (BPA) contract with its implementer, CLEAResult, for the Simple Steps program, and in part because of unforeseen complexities in sales allocation using the Regional Sales Allocation Tool<sup>2</sup> and changes in BPA's price structure that affected transactions for savings acquired at shared stores. Issues resulting from changes to BPA's contract with CLEAResult and changes to CLEAResult's price structure were being addressed during the interview period for this report. According to program staff, a contract amendment executed in early July resolved issues around pricing structure and Ecova-run stores supported by Simple Steps utilities.

## 5.2 Recommendations

Recommendations are presented below in three categories: lessons learned in the PMC transition process, recommendations to enhance the Products program processes, and overarching strategies for expanding or enhancing measures promoted by the program.

### 5.2.1 Transition-specific

#### ***Consider deploying a contract to cover transition activities for future PMC transitions.***

The existence of a contract that encouraged outgoing and incoming PMC staff to work together and compensated them for their efforts worked well for the Products program. This was augmented by SharePoint communication tools that minimized extensive email communication between PECl and Ecova and allowed Energy Trust to monitor progress and identify information gaps.

***Increase documentation of specific decisions and negotiations associated with complex contracting and invoicing.*** Multiple issues were likely affecting the communications between Ecova and CLEAResult about Simple Steps. These issues include competition among the implementation firms, revisions to BPA's willingness to pay for regional savings, the

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<sup>2</sup> The Retail Sales Allocation Tool (RSAT) is a tool used to allocate retail sales to the electric utilities that serve the customers of a given location. It facilitates proportional allocation of credit for energy saving product sales among stores frequented by customers of multiple utilities.



maintenance of long-established supply chain relationships, and a shifting consensus on the value of the regional brand. The complexity of the contracting and regional politics means that Energy Trust and BPA should have been more closely involved in the discussions between implementers.

### 5.2.2 Program-specific

In a general sense, recommendations in this vein focused on making things simpler for program contractors (e.g. PMC or other subcontractors) and market participants and included enhancements to electronic application processes and streamlining approval processes for low risk activities. As one contact noted, program components will need to be continually assessed as the market and program environment becomes less stable. Taking small risks on marginal or emerging solutions could reveal places where standard approaches to planning and marketing are too cumbersome.

***Begin the shift toward mid- and up-stream incentives for appliances.*** Interviewees discussed the cost effectiveness challenges associated with the downstream appliance rebate model and noted potential benefits from shifting to an upstream program model. This shift will require developing new relationships with appliance manufacturers and retailers and could require more engagement and commitment on their part than the previous downstream rebate program model. In addition, the plans for Simple Steps to expand program offerings to include midstream and upstream appliance offers will likely require additional collaboration and coordination with BPA's program. Because of challenges in the lighting and showerhead allocation process that emerged early in 2015, this collaboration should be given particular attention in planning for appliances in 2016 and beyond.

***Increase outreach to retailer contacts involved in showerhead promotions.*** Interviews indicate that retailer contacts were less aware of showerhead promotions than lighting and appliances. As the primary source of therm savings, retail showerheads remain important to achieving the goals of the Products program. More direct or aggressive promotion of the water saving features of *WaterSense*<sup>®</sup>-qualified showerheads could leverage community concerns about drought and spur consumers to finally take action.

***Look for opportunities to minimize restrictions on program activities.*** Comments from staff and stakeholder interviewees indicate a desire for more flexibility in program delivery. These comments included mentions of exacting requirements for qualified lighting products that include specific criteria and specialized lists, Energy Trust marketing review that can take a substantial amount of time, tiered incentives for refrigerator recycling, and a narrow definition of qualified pop-up retail. These requirements may be associated with ensuring high quality program delivery, but it is worth monitoring this to ensure requirements are not unnecessarily limiting program reach. Specifically, Energy Trust should:

- Consider opportunities to relax product specifications while ensuring energy savings are obtained.
- Monitor the tiered incentive requirements for refrigerator recycling to ensure that the

added complexity is not affecting uptake.

- Track proposed pop-up retail activity declined or disqualified by Energy Trust and the rationale for disqualification.

If specific restrictions emerge repeatedly, consider the potential savings value of relaxing that requirement.

### 5.2.3 Measure-specific Enhancement or Expansion

Energy Trust works with its PMCs to develop and expand program offerings; not all of the products or strategies considered will ultimately work for the program. Nevertheless, Energy Trust and its PMCs will need to be ready to test new measures and deployment strategies that go beyond brick-and-mortar retail programs and promote customized product solutions to those shopping online or with specific budget or performance requirements that limit their willingness to consider energy efficiency. Multiple contacts noted that savings from energy-efficient lighting is declining and that programs will likely need to both expand and simplify to remain cost-effective in the future. In addition to the proposed program enhancements listed in Section 2.4, interviewees offered suggestions that added to or expanded upon those already proposed. Recommendations tended to reflect the specific perspective or expertise of a given contact; however the theme of expansion and simplification was universally present. While a specific measure or enhancement may not pass program cost-effectiveness screening, these overall themes could inform future program planning.

- **Consider expanding heat pump options for new manufactured homes.** Allowing both ductless heat pump and standard heat pumps in qualified new manufactured homes could reduce barriers and obtain savings. Contacts at Earth Advantage noted that modeling showed both measures saved energy and standard heat pumps could be a solution for manufacturers who do not allow DHPs to be integrated.
- **Continue regional collaboration efforts with NEEA on high performance new manufactured homes.** Look for opportunities to link programs to financing to replace old manufactured homes with newer high performance homes.
- **Promote water solutions.** Develop a strategy for linking showerheads to water savings by leveraging public concern about water supplies. Leveraging the work of water bureaus, government organizations, and other advocacy groups could provide new exposure to water saving solutions (that also save natural gas).
- **Prepare to integrate Products measures with “managed home” solutions.** The link between the performance of existing homes and emerging residential products that communicate with and control equipment will increase the need for program efforts to simplify what could become an increasingly complex market.



## Appendix A Interview Guide: Staff and Stakeholders

# Energy Trust Products Program: Staff

## In-Depth Interview Guide

### Introduction [READ FOR ALL]

Thank you for your time today. Our conversation will focus on a few key aspects of the Products program: the recent PMC transition, enhancements expected or underway, expectations for the future, and feedback that could help improve the communication and working relationship between Energy Trust and the PMCs. Information gathered here will be combined with information from program documents and interviews with other key stakeholders. This summary information will be reported to Energy Trust. We will not attribute content to specific respondents, but will summarize information by type of respondent (for example, PMC staff or Energy Trust staff). Let me know if a question is not applicable to you or your work and we'll move on.

Do you have any questions for me before we get started?

I'd like to record our call to ensure accuracy in transcribed notes – this recording is for my purposes only and will not be used for any other purpose. Is this okay?

### PMC Transition: Process and Communication [ASK OF ALL]

Let's start by talking about the recent PMC transition. Thinking about the transition process and shift from PECl to Ecova...

1. Briefly, what was your role in the transition and how, if at all, has that changed since then?
2. How would you describe the overall transition process?
3. What challenges emerged during the transition and the first few months of running the program?
4. How were these challenges addressed? *[If they have not yet been addressed]* What is the plan for addressing these challenges?
5. What aspects of the transition were the most straightforward, or went smoother than expected?
6. Was the communication between the PMC and Energy Trust sufficient to manage the coordination and details involved?
7. What would have made the transition smoother?

### Current Program Operations [ASK OF ALL]

Now I'd like to ask you about on-going communication between Energy Trust and Ecova...

8. Is communication timely?
9. **[ASK OF ENERGY TRUST STAFF ONLY]** Do the PMC's monthly reports provide appropriate detail?
10. Who is involved in communications and program planning at Ecova? At Energy Trust?
11. Are those involved able to make the necessary decisions? Should additional or different people be involved?
12. Is there anything that would make it easier to work with (as appropriate: Energy Trust/Ecova) or help improve the working relationship?

I have a few questions about efforts to coordinate with other Energy Trust programs, departments, and other non-Energy Trust initiatives, including Simple Steps, ARCA, TechniArt, community offices, and Earth Advantage.

13. What, if any, efforts are underway to coordinate with other Energy Trust programs (e.g. Existing Homes, Existing Multifamily, etc.)? How is that going?
14. To what extent do you coordinate with Energy Trust departments (e.g. Planning and Evaluation, Finance, IT, Communications and Customer Service (CCS))? How is that going?
15. How is the collaboration with Simple Steps working?
  - a. What could be improved or changed?
16. How has it been working with ARCA? Are there opportunities for improvement?
17. How has it been working with Earth Advantage? Are there opportunities for improvement? How is the development of EPS for Manufactured Homes going?
18. How has it been working with TechniArt? Are there opportunities for improvement?
  - a. What about the pop-up retail events delivered by TechniArt: can you tell me how these events work?
  - b. How have they gone so far?
  - c. Have you received any feedback from customers through TechniArt?
19. How has working with community offices been going? Are there opportunities for improvement?
  - a. Have you received any feedback from customers through the community offices?
20. Aside from the initiatives and groups I mentioned above, are there other non-Energy Trust programs that the Products program must coordinate with?
  - a. If so, how is that going? Are there opportunities for improvement?

#### **Program Changes and Enhancements [ASK OF ALL]**

21. **[ASK OF PROGRAM MANAGERS & MARKETING STAFF ONLY]** What changes have been made to the program so far?
22. **[ASK OF PROGRAM MANAGERS & MARKETING STAFF ONLY]** What has changed around

the lighting and showerheads component of the program?

- a. **[ASK OF PROGRAM MANAGERS ONLY]** What specifically has changed about how retailers and manufacturers work with the program? Has the program received any feedback from retailers and manufacturers about these changes?
- b. **[ASK OF PROGRAM MANAGERS ONLY]** What else could be done to improve relationships with retailers and manufacturers? What do they seem to need or want?

### **Expectations for the Future [ASK OF PROGRAM MANAGERS ONLY]**

Now I'd like to discuss your thoughts on the future of the Products program...

23. Were any program components (e.g. appliances, lighting and showerheads, refrigerator recycling, new manufactured homes etc.) put on hold during the transition?
24. What components should be prioritized now?
25. What components should be prioritized in the future? [*Probe: At what point in the future, at what stage in the program, or based on what kind of market metrics?*]
26. Do you think the program has the right mix of measures and/or delivery channels to achieve its goals?
  - a. If not, why not, and what other measures and/or delivery channels are needed?
27. What measures, initiatives, or strategies are under development right now?
28. What strategies or products offer the most promise for moving past reliance on savings from lighting and showerheads?
  - a. What are the main barriers?
29. Thinking about your interactions with retailers and the primary data Ecova has already collected, what do you think are the primary reasons for the reduced supply of low cost, efficient refrigerators?
30. As the program evolves, do you anticipate the Products program will overlap with other programs (either Energy Trust programs or non-Energy Trust programs) in terms of the measures promoted, strategies deployed, or delivery channels engaged?
  - a. Where do you see these issues emerging? [*Probe for: measures, strategies, delivery channels.*]
  - b. What, if any, efforts are underway to address these concerns?
31. What are the long-term plans for:
  - a. Clothes washers?
    - i. What are the key variables most likely to affect the viability of clothes washers for the program?
    - ii. What indicators are you tracking for clothes washers?

- b. Refrigerators?
  - i. What are the key variables most likely to affect the viability of refrigerators for the program?
  - ii. What indicators are you tracking for refrigerators?
- c. Refrigerator recycling?
  - i. What are the key variables most likely to affect the viability of refrigerator recycling for the program?
  - ii. What indicators are you tracking for refrigerator recycling?
- d. Lighting?
  - i. What are the key variables most likely to affect the viability of lighting for the program?
  - ii. What indicators are you tracking for lighting?
- e. Showerheads?
  - i. What are the key variables most likely to affect the viability of showerheads for the program?
  - ii. What indicators are you tracking for showerheads?
- f. New manufactured homes?
  - i. What are the key variables most likely to affect the viability of new manufactured homes for the program?
  - ii. What indicators are you tracking for new manufactured homes?

**Interaction with Retailers & Manufacturers [ASK OF PROGRAM MANAGERS ONLY]**

I have some questions for you about retailer operations. As part of this evaluation, we are going to ask these questions of retailer and manufacturer contacts directly – so your opinion or impressions are fine.

- 32. In your experience, how do retailers and manufacturers respond to changes in Federal standards or program requirements?
  - a. How closely do manufacturers track Federal standards or program requirements?
  - b. What about retailers? Do they track changes to Federal standards the same way?
  - c. Do these changes affect retailers' decision-making on local stocking or assortment?
  - d. Who tracks these standards and requirements for retailers and manufacturers? At what level of the organization is this tracked?
  - e. How are changes to local efficiency incentive programs communicated to retailers? How about manufacturers?

33. To what extent are decisions on retailer stocking and assortment made at a corporate level? What can local retail store managers control?
34. How quickly do programmatic changes trickle through the supply chain or manifest on retail floors? What kind of lag is there for Federal standards?

**Opportunities to Improve Key Outcomes**

35. Do you have any specific plans for increasing participation or outreach to rural or underserved customers?
  - a. What strategies have you implemented or are you considering?
36. Are there any places where program processes could be simplified or streamlined? Please describe:
37. Thinking about maximizing program energy savings, what are the top three things that could be changed to increase savings in the future? This could include things outside your control – in a perfect world, what changes would you want to make or see?
38. Do you have anything else you'd like to share?

Those are all my questions, thank you very much for your time today.





# Energy Trust Products Program: Subcontractors and Stakeholders

## In-Depth Interview Guide

### Introduction [READ FOR ALL]

Thank you for your time today. Our conversation will focus on understanding the experience of subcontractors and stakeholders working with Energy Trust's Products program. We are particularly interested in the period of transition, when the program implementer changed from PECI to Ecova, as well as the first few months of 2015. Information gathered here will be combined with information from program documents and interviews with program staff and retailers. Summary information will be reported to Energy Trust. We will not attribute content to specific respondents, but will summarize information by type of respondent (for example, subcontractors and stakeholders). Let me know if a question is not applicable to you or your work and we'll move on.

Do you have any questions for me before we get started?

I'd like to record our call to ensure accuracy in transcribed notes – this recording is for my purposes only and will not be used for any other purpose. Is this okay?

### PMC Transition: Process and Communication [ASK OF ALL]

Let's start by talking about the recent Products program transition.

39. Were you involved in the process of transitioning the program from PECI (now CLEARResult) to Ecova?
  - a. If yes: what was your role?
  - b. How did the transition go, from your perspective?
40. What went well?
41. What challenges emerged during the transition and the first few months of 2015?
  - a. How were these challenges addressed? *[If they have not yet been addressed]* What is the plan for addressing these challenges?
42. What would have made the transition smoother?

### Current Program Operations [ASK OF ALL]

43. How are things going with the Products program for your organization right now?
44. How does Energy Trust and Ecova interact specifically with (YOUR ORGANIZATION)?
  - a. What is working best?

- b. What could be improved or changed?
- 45. Is there anything that would make it easier to work with Energy Trust or help improve the working relationship?
- 46. Is there anything that would make it easier to work with Ecova or help improve the working relationship?

## Organization Specific Sets

### Earth Advantage

- a. To what extent does the New Manufactured Homes program component complement or coordinate with the New Homes program?
- b. Are there other programs (Energy Trust and other organizations, such as NEEA) you must coordinate with? How does that work?
- c. How is the development of EPS for New Manufactured Homes going?
  - a. When will that be “live?”
  - b. What (if any) unexpected challenges have emerged?
  - c. How will Earth Advantage be involved in deploying the program to sales floors?
- d. What activities will Earth Advantage be responsible for once the EPS is developed?
- e. How does that differ from what Earth Advantage is doing now?

### ARCA

- a. *[If not discussed in answers to previous questions]* How did the program hand off from JACO go?
- b. Has ARCA experienced any unanticipated challenges in getting the refrigerator recycling program up and running for Energy Trust?
  - a. What were these?
  - b. How were they (or are they being) resolved?
- c. What does the future look like for refrigerator and freezer recycling?
- d. What do you think programs should be doing now to prepare for future program years?
- e. What opportunities do you see to expand appliance recycling (if any)?
- f. How do changes in federal standards affect appliance recycling programs?

### TechniArt

- a. What's the status of pop up retail events in the Products Program?
- b. Have you run into any unanticipated challenges in getting this up and running?

- c. What is planned for the rest of the year?
- d. How have these efforts been received?
  - a. Have you gotten any feedback from customers?
  - b. From Ecova?
  - c. From Energy Trust?
- e. How will pop up retail events fit into future program years?
- f. Is there an opportunity to link these efforts to other programs or measures? How?

### **BPA and/or Simple Steps staff**

- a. How is the collaboration between Simple Steps and Energy Trust going?
  - a. What is working well?
  - b. What could be improved?
  - c. What should change?
- b. How did the re-contracting of Simple Steps change the program?
- c. What strategies are being deployed to increase energy savings associated with Simple Steps?
- d. What opportunities is BPA pursuing? Are there efforts to move consumer products programs past lighting and showerheads? If so, what are they?
- e. How could Energy Trust's programs complement these efforts?
- f. In your experience, how do changes to federal standards or program requirements affect the decision-making of retailers and manufacturers?

### **Community Offices**

- a. How do the community offices interact with Energy Trust in general?
- b. How do the community offices interact with the Products program?
- c. What are the primary objectives or reasons behind engaging with Energy Trust through the community offices?
  - a. What is working best?
  - b. What would improve the experience?
- d. Do you have any feedback for Energy Trust or Ecova about your experience this year?
- e. What about other, non-Energy Trust programs... are there other programs promoted through the community offices?

**Opportunities to Improve Key Outcomes [ASK OF ALL]**

47. Are there any places where program processes could be simplified or streamlined? Please describe.
48. Thinking about maximizing program energy savings, what are the top three things that could be changed to increase savings in the future? This could include things outside your control – in a perfect world, what changes would you want to make or see?
49. Do you have anything else you'd like to share?

Those are all my questions, thank you very much for your time today.

## Appendix B Interview Guide: Manufacturers and Retailers

# Energy Trust Products Program: Retailer and Manufacturer

### FINAL Interview Guide

#### Introduction [READ FOR ALL]

Thank you for your time today. Our conversation will focus on a few key aspects of Energy Trust's Products program: recent program implementation changes, new marketing efforts, and communication with Ecova and Energy Trust. Only summary information will be reported to Energy Trust; we will not attribute content to specific respondents. Let me know if a question is not applicable to you or your work and we'll move on.

Do you have any questions for me before we get started?

I'd like to record our call to ensure accuracy in transcribed notes – this recording is for my purposes only and will not be used for any other purpose. Is this okay?

#### PMC Transition: Process and Communication [ASK ONLY OF RETAILERS AND MANUFACTURERS PARTICIPATING PRIOR TO ECOVA TRANSITION]

Let's start by talking about your experience with the Energy Trust Products program this year.

50. Are you aware that the program changed implementation contractors at the beginning of the year?
51. Did your organization experience any challenges as the program shifted to a new contractor?
  - a. If yes: What happened? How was it resolved?
52. What would have made the transition smoother?

#### Program Changes and Enhancements

#### [ASK ONLY OF RETAILERS AND MANUFACTURERS PARTICIPATING PRIOR TO ECOVA TRANSITION]

53. Have you noticed any changes to the program since January 2015?
  - a. If yes: what type of changes?
  - b. How well are these changes working for your organization?
54. How does your experience with the program today compare to your experience with prior program years?

**[ASK ALL]**

- 55. What is working best about the program right now?
- 56. How satisfied are you with the service and communication provided by Ecova?
- 57. Is there anything that would make it easier to work with Ecova or Energy Trust?
- 58. What would make the program work better for organizations like yours?

**Expanding the Program**

**[ASK ALL OF LIGHTING CONTACTS]**

- 59. How could the program encourage additional sales of efficient lighting?
- 60. What about efficient showerheads?
- 61. What other products would you like to see included?

**[ASK OF APPLIANCE CONTACTS]**

- 62. Is your organization involved in promoting the sales of efficient appliances or other equipment?

[ASK IF Q62 = Yes]

- 63. The program has observed that the supply of low cost, high-efficiency refrigerators may be limited. What do you think are the primary reasons for the reduced supply of low cost, efficient refrigerators?
- 64. What other appliances or products would you like to see promoted by the program?

**Program Interaction with Retailers & Manufacturers [ASK OF ALL]**

I have some questions for you about how your organization responds to changes in federal standards and program requirements.

- 65. How closely does your organization track federal standards?
- 66. What about changes in program requirements?
- 67. How do these changes affect decision-making on local product stocking or assortment?
- 68. Who tracks these changes at your organization? [PROBE: corporate level, local level, centralized or not?]
- 69. How do you hear about changes to local energy efficiency incentive programs?
- 70. How important is this information to you?
- 71. To what extent are decisions on stocking and assortment made at the store level?
- 72. How quickly do programmatic changes impact what's being stocked or sold in stores (if at all)?
- 73. What about changes to federal standards? What kind of timeframe is associated with adjusting to changes in federal standards?

**Opportunities to Improve Key Outcomes [ASK OF ALL]**

74. How might Energy Trust's Products program help you provide access to qualified products to rural or underserved customers?
75. Are there any places where the program processes you interact with could be simplified or streamlined? Please describe.
76. Do you have anything else you'd like to share with me today about your experience with Energy Trust's Products program?

Those are all my questions, thank you very much for your time today.





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