EnergyTrust of Oregon

Home and Business Electronics Program

Jan 20, 2009 Policy committee
Jan 21 2009 Conservation Advisory Committee

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The Opportunity

- A diversity of home and business products provide savings in small packets that add up to a lot of savings- TV's are the biggest
- Key market channels include national chain retailers and manufacturers that sell business-to-business
- By selling "upstream" to the manufacturer or retail buyer, we can influence the purchase and produ mix.

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The Opportunity, ctd.

- Pacific Gas & Electric have developed a program to work at this level, build relationships, provide incentives and track results by locality.
- They have designed it to work for multiple program providers.

Key elements:

- Common specifications for all participants
- Common sales agent working with manufacturers and chains
- Electronic data interface to track change in sales by locality

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What are the Measures?

- To begin with- TV's, monitors, and personal computers. BUT….
  - NW already is already selling 80+ personal computers to businesses through another NEEA program.
  - Baseline for monitors makes it unclear whether PG&E targets will save much energy.
- So primary focus for 2009 will be on televisions.
- Other products may be added later (printers, faxes, copiers, set top boxes)
- Adding white goods is a possibility (washers, dishwashers, refrigerators) but ET is not convinced yet that this is needed; retail programs are doing well for washers and refrigerators.

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Who Should Do This in the Northwest?

NW Energy Efficiency Alliance. Why?

- Large chains and manufacturers have difficulty working with many utilities.
- This is clearly a market transformation opportunity- with some evidence of success at the start.
- ET and local utilities elsewhere would pay the incentives out of their own budgets. NEEA would have a contract for the program management.

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Has PG&E Built the Right Program?

Yes

- It targets the right people, and has already built some key sales relationships.
- The initial product standards could be more aggressive, but PG&E is open to strategic partnership and to stepping up standards in year 2.
- The platform allows for local identity on the marketing, but provides firm or region-wide contractors to work with local stores.

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Who's On Board?

- So far, just PG&E and Sacramento. Several other utilities are considering.
- BPA and Puget Energy have expressed interest in supporting an April 2009 start for NEEA participation alongside Energy Trust. Extra funding for NEEA would be needed because their budget is fully committed.
- This means that NEEA could have significant influence on the strategic design if we join early.

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Governance

- All "participant program deliverers" will contract separately with the same contractors.
- There is a "governing council", still being developed.
- We cannot agree formally on incentive levels for antitrust reasons.
- A more structured national effort is eventually needed, but not in 2009.

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Where Is This Going?

- By 2010, the initiative could influence retailer buying patterns, and manufacturer volumes
- In 2011, the initiative could influence the design of consumer products.
- Savings and benefits/$ should increase as specifications get more efficient and more products are added.
- Program could influence CEE specifications, ENERGY STAR specifications, and, eventually, state and federal product standards.
- This could become a platform for market transformation for multiple products where retail rebates have been a difficult route.

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2009 Schedule, Budget and Savings

- Details are still being ironed out.
- Estimated cost is $1M in 2009.
- We will negotiate to pay our "fair share" with other funders based on the number of retail accounts.
- Potential savings around 2.4 million kWh, assuming that we bump the share of TV's meeting the ENERGY STAR tier 2 specification from 12% to 17% for 25% of the NW households that are served by ET
- This would provide a B/C of about 1 in the first year- both utility and societal
- 2009 participation is primarily to build relationships and platform for further success in later years- B/C should improve markedly

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What Are the Downsides?

- National participation may water down the determination to keep advancing specifications.
  - But, we could set an aggressive tone by joining early.
- Governance could be complex and time-consuming
  - That's why we suggest that one entity participate for the whole Northwest
- First year may not be funded by all of NW
  - The plan is for all utilities to participate as part of NEEA's "base funding" by 2010. Puget, BPA, and ET represent most of the region.
  - Energy Trust participation is critical to NEEA getting started now.
- Budgeted will come from carryover plus some reallocation within New Homes and Products

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New Venture Criteria

Significant savings? Modest, in proportion to cost

Impact soon? Yes, some immediate, larger in the second year.

Likelihood of Success? High

Likelihood of Changing Market? High

Manageability? Some complications, but if it doesn't work well there is no long term commitment to PG&E

Use Staff Core Competence? Yes, NEEA's strategic capabilities; outsources something difficult for ET to do

Geographically Dispersed? Yes, includes wholesalers for smaller stores and chains.

Impact on Core Programs: Complimentary

Other: Opportunities to exand to other products that are otherwise difficult to address

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