New Homes & Products – Program Plan 2013

New Homes & Products Matt Braman | Phil Damiano

Overview:

For 2013, a key priority is to grow and leverage our relationships with current allies, customers, and with market stakeholders. The program will continue to welcome new program participants but leveraging existing relationships will help the program be more efficient and effective. This includes: developing a retention strategy focused on participants who have already engaged with the New Homes and Products program, increasing network alignment promoting cooperation between stakeholders to minimize customer confusion, and analyzing engagement at each touch point. Each of these aims to enhance savings opportunities while cultivating long term relationships between participants and Energy Trust of Oregon.

For new homes, we will focus on: maintaining market share, further leveraging existing networks and market actors, and increasing awareness and utilization of EPS™ and energy-efficient new home construction.

There are several challenges that we will address in 2013 to reach these goals. These challenges include supporting an independent verifier market, stricter building code requirements, and increased ENERGY STAR® requirements. All three of these challenges, left unaddressed, would lead to a significant decline in program participation and in the building of energy-efficient new homes. The strategies outlined below, including subcontractor engagement, the introduction of standalone measures, utilizing industry trainings, customer-facing marketing and homeowner engagement, will insure that new home energy savings continue to increase and help drive home construction to higher levels of energy performance.

For products, we will focus on: driving customers to purchase the most energy-efficient products available, identifying and capitalizing on a broader range of leverage points with manufacturers, retailers and industry stakeholders, and diversifying savings opportunities and better understanding customer motivators.

The challenges facing the products side of the program include: the increasing cost of capturing savings as baselines and federal standards increase, declining savings for fridge recycling as fewer of the oldest models remain, and coordinating unified approaches across multiple types of customers, retailers, distributors and equipment manufacturers . The strategies to overcome these challenges include: developing new measures, increasing engagement throughout the retailer and manufacturer chain to build on their marketing efforts, refining refrigerator recycling marketing approaches, and introducing alternatives to cash incentives to motivate customers.

Overview of Overall Savings

- Overall 55,454,564 kWh and 886,915 therms in reportable savings for the stretch case. By utility this translates to:
    - PGE: 33,997,227 kWh
    - PAC: 21,457,337 kWh
    - NWN: 822,292 therms
    - CNG: 64,623 therms

New Homes

Objective:

- Obtain 528,866 kWh and 519,327 therm savings through EPS, standalone measures and market transformation. *(Estimated savings per round one of the 2013 budget process).*

Goals:

- Secure 17.7 percent market share of EPS participation of those new homes built within Energy Trust territory; up from a goal of 13.5 percent last year.
    - As the market continues to rebound this translates to 900 new homes in 2013, down from a projected total of 1,000 homes for 2012
- Increase homebuyer awareness, understanding, and action on energy efficiency and EPS and deepen their engagement with the program.
- Leverage residential new construction market actors and industry stakeholders to streamline efforts, maximize cost-effectiveness and strengthen relationships.
- Increase market awareness and uptake of EPS and energy-efficient building practices within the building community and motivate trade ally program participants to deepen their engagement with the program.

Strategy:

Goal: Secure EPS participation for 17.7 percent of new homes built within Energy Trust territory.

- Support builders through Oregon code and ENERGY STAR increases to encourage continued program participation despite higher requirements.

- Communicate key dates and information relating to changes in code and ENERGY STAR Builder Option Package, or BOP, requirements to trade allies.
- Provide field support to help builders overcome barriers associated with increased code and BOP requirements.
- Coordinated with NEEA and BCD to identify areas where training and awareness is low.

- Drive demand for EPS homes by targeting customers, educating and motivating them to ask for EPS.
- Leverage realtors, lenders and appraisers to support EPS builders and homebuyers.

Goal: Increase homebuyer awareness, understanding, and action on energy efficiency and EPS and deepen their engagement with the program.

- Continue to promote EPS to customers through the Smart Homebuyer campaign.
  - Utilize existing components including advertising creative, checklist and infographic, and add additional tools to support customers, trade allies and market actors, as needed.
- Evolve EPS web content on Energy Trust's site.
  - Consolidate trade ally EPS pages to improve ease of navigation.
  - Explore adding interactive components for customers and trade allies.
  - Leverage trade ally training content on website.
  - Update EPS video.
- Promote program homes through regional home tours and use this opportunity to engage with homebuyers. Provide content, materials, support and sponsorship as appropriate.
- Engage with owners of EPS homes that have earned the Live Net Zero designation. Educate them on operating their very low EPS home to achieve net zero energy use and gather feedback; develop a builder/owner case study.
- Coordinate with the Existing Homes program to ensure consistency between new and existing homes as EPS is extended in a pilot to efficiency upgrades in older homes.

Goal: Leverage residential new construction market actors and industry stakeholders to streamline efforts, maximize cost-effectiveness and strengthen relationships.

- Provide training and support to the diverse network of independent verifiers; enable them to offer a wider range of services to residential builders (beyond verifying single family home compliance with Program requirements) such as design assistance and building science and best practices techniques.
    - Maintain verifier incentives to help retain current verifiers and to aid in continuing to build the independent verifier network; communicating to the verifiers the long term plan to phase out this incentive over time.
    - Support verifier training and their ongoing builder engagement efforts, including the transition of modeling away from program staff to verifiers. Provide verifiers with sales training, helping them to better promote and support the program and insuring a consistent EPS message is being used by all free marketing verifiers.
    - Engage with verifiers on a regular basis, using the monthly verifier forum, verifier website and other forms of communication, as needed, to convey program updates, troubleshoot and educate on common challenges, etc.
    - Coordinate with NEEA on the development and roll out of a NW version of RemRate.
    - Identify opportunities to streamline paperwork and processes for verifiers in order to remove barriers to participation.
        - Coordinate integration of EPS data points into an online verifier data entry portal project that is being developed through BPA and NEEA on behalf of the region. Act as liaison for Energy Trust to develop data transfer plan/infrastructure with project implementers (Fluid and Pivotal).
- Expand partnership with industry stakeholders to coordinate statewide energy efficiency efforts.
    - Leverage building community activities with market stakeholders, such as Homebuilder University (OHBA), Ultimate Open House, Ecovative (HBA), and Premium Performance Home (ODOE) to better promote energy efficiency and program awareness.
- Leverage independent training organizations to bring new technical support to our trade allies.

- Build relationships with industry groups who offer relevant trainings, such as Earth Advantage, NEEA, OHBA, HBA, Fluid, ODOE, etc..
- Provide communications or materials for outreach to industry groups.
- Help promote available trainings to trade allies.
- Work with larger organizations (e.g. DOE) to get further reach, linking back to Energy Trust website.
- Work with state groups (e.g. Oregon CCB, NEEA, ODOE, BCD) in an attempt to influence statewide education requirements/trainings that align with program goal of market transformation.
- Leverage current program offerings to offer training stakeholders a benefits package to encourage engagement with the program.

Goal: Increase market awareness and uptake of EPS and energy-efficient building practices among building community and motivate trade ally program participants to deepen their engagement with the program.

- Secure continued program participation from subcontractors involved in 2012 air sealing pilot.
- Offer stand-alone measures to subcontractors to engage them with program.
    - Help promote stand-alone measures through outreach, communications, materials and website.
    - Continue to offer air sealing incentive as a subcontractor mass market measure.
    - Develop and launch ducts inside initiative in coordination with NEEA, OHBA and other industry stakeholders. Provide support network for subcontractors. Promote trainings to help them build their knowledge and experience and to support their outreach efforts to builders.
- Support other program activity, such as waste water treatment, model and tour homes, charrette funding, etc.
- Continue to promote solar-ready homes and support inclusion of renewables.
- Gather and analyze feedback from trade allies, share findings, and establish current baseline.

- Design trade ally segmentation and continued engagement strategy. Utilize iterative process to assimilate and incorporate insights into ongoing trade ally retention efforts.

Risks:

- The 2011 code updates and 2012 ENERGY STAR BOP changes that continue into 2013 will make participation difficult for builders.
- Housing market revival stalls.
- Market confusion between various labeling programs available.
- Limitations to tax credit pass through options in Oregon.

Products

Objectives:

- Obtain 54,366,599 kWh and 367,389 therm savings through appliance, refrigerator recycling, lighting, showerhead and other products measures. *(Estimated savings per round one of the 2013 budget process).*

Goals:

- Educate customers on energy-efficiency and drive to purchase the most energy-efficient products.
- Identify additional ways to motivate customers to make energy-efficient product choices beyond financial incentives.
- Further build and leverage relationships with retailers and manufacturer to deepen their engagement and strengthen program.
- Expand measure portfolio to diversify savings opportunities and develop new innovative program designs.
- Encourage repeat participation with the program and other Energy Trust offerings.
- Leverage industry stakeholder around products and retail to streamline regional energy efficiency efforts.

Strategy:
Goal: Educate customers on energy-efficiency and drive to purchase the most energy-efficient products.

- Offer enhanced cues such as "good, better, best" to increase customer understanding, and to influence sales floor conversations, and ultimately, purchases.
- Provide enhanced training to retail sales staff to support customer education.

Appliances:

- Offer expanded and tiered product incentives at retail to continue engaging and pushing the market.
    - Incentives for clothes washers will be designed around a good, better, best, approach to help educate customers and influence conversations on the sales floor.
        - Good: Support ENERGY STAR appliance purchases in general plus clothes washers at 2.4-2.59 MEF
        - Better: Clothes washers at 2.6-2.9 MEF
        - Best: Clothes washers at 3.0+ MEF

Lighting:

- Continue to offer reduced price lighting at retail and support uptake of cost-effective energy efficient lighting options.
    - Provide customer education on energy-efficient lighting options, including education on LEDs, dimmers and lumens vs. watts.

Showerheads:

- Continue to offer reduced price showerheads at retail.
- Offer limited quantity showerheads through select water bureaus.
- Promote showerheads to low-income households through kits.
- Provide promotional shower wands through specific, targeted channels.

Fridge Recycling:

- Encourage recycling of older and second fridges by shifting some emphasis away from retail toward channels that best reach customers with a second or older fridge at home.
    - Continue to increase awareness and utilization of the fridge recycling program with a focus outside of retail channels.
    - Continue word-of-mouth efforts for fridge recycling, as an effective, low-cost way to spread the word and continue to boost the reputation of the recycling service.
        - Leverage both testimonials and referrals.
    - Promote fridge recycling through advertising and PR campaign, helping to reach customers who might have a second fridge at home, rather than customers at retail who are looking to replace their fridge.
        - Develop two-phase outreach campaign for spring and fall that emphasizes older and secondary fridges.
- Explore opportunities to pull aside newer fridge models and refurbishing them for use within the low income community.

Goal: Develop additional ways to motivate customers to make energy-efficient product choices beyond financial incentives.

- Analyze buyer behavior and shopper motivations in order to identify cost effective alternatives to traditional cash incentives. Examples to include:
    - Extended equipment warranties
    - Installation discounts
    - Referral incentives
    - Community donations
    - Discounts on future energy efficient purchases

Goal: Further build and leverage relationships with retailers and manufacturer to deepen their engagement and strengthen program.

- Streamline incentive process within retail space.
    - Promote use of online incentive application at retail.
    - Move away from paper applications within retail space, as appropriate.
- Continue to engage retailers as main driver that supports purchase of energy-efficient appliances.
    - Train retail sales staff with a focus on customer education regarding energy-efficient appliance purchases.
        - Provide targeted and effective training, resources and communications to retail sales staff and management.
        - Analyze and utilize feedback from field and 2012 retailer survey to inform approach.
        - Continue to promote Energy Efficient Appliance and Fridge Recycling expert training series.
        - Support field/retailer trainings to address EISA, LED technology, EPA changes around fridge requirement standards, etc.
    - Provide program materials that integrate well with retail sales environment and processes.
    - Partner with retailers and manufacturers to develop a seasonal promotion calendar to better align efforts.
    - Improve educational and support to retail sales associates through customized program statistics, improved trainings, and richer in-store displays.
- Outreach to new retailers to encourage increased number of participating stores throughout region.

- Collaborate with product manufacturers when possible to help educate customers and drive participation.
    - Work with Advanced Power Strip, or APS, manufacturers to develop energy efficiency messaging on product packaging.

Goal: Expand measure portfolio to diversify savings opportunities and develop new and innovative program designs.

- Explore opportunities to incent clothes washer recycling/early retirement.
- Promote LED technology through specific, targeted channels and gather and analyze feedback on customer experience.
    - Segue into promotion of select ENERGY STAR LEDs.
- Explore and pilot new incentive delivery mechanisms.
    - Coordinate CFL market lift pilot to educate and drive interest in energy efficient lighting options by incenting retailers to drive sales of specific products to specific targeted benchmarks. Work with two national retailers through two 6 month initiatives, launching at six locations per retailer with tiers of 10, 15 and 20 percent lift.
    - Coordinate dishwasher market lift pilot with two big box retailers- to incent high efficiency dishwashers.
- Research and develop opportunities to increase the number and range of products we can cost-effectively incent. Develop new initiatives as deemed appropriate.
    - Explore/expand miscellaneous plug load categories (multiple tiers of APS, MFDs, etc.)
    - Explore potential promotional and collaborative opportunities around Water Sense label.

Goal: Encourage repeat participation with the program and other Energy Trust offerings.

- Improve coordination with Existing Homes and New Buildings programs and explore cross collaboration opportunities.
- Analyzing New Homes and Product Program data to create a predictive model of future participant behavior to generate a decision tree of measure participation and average time between measures. This effort is intended to provide a roadmap for future retention and engagement strategies within the New Homes & Products Program.

Goal: Leverage industry stakeholder activities around products and retail to streamline regional energy efficiency efforts.

- Expand work with low income and community action agencies, water bureaus and other groups as appropriate.
- Influence industry stakeholders to provide educational lighting resources to marketplace.
- Engage with utilities on product-of-the-month giveaways, educational opportunities and low income kits.
- Utilize industry events to promote energy efficiency and drive customers to participating retail locations or trade ally network, as appropriate.
- Coordinate with Fluid on potential to expand Bonneville Power Administration's Simple Steps offerings (LEDs, lighting controls, APS, appliances).
- Capitalize on existing retail network and deepen community management in order to streamline efforts, maximize cost effectiveness and strengthen relationships.
    - Define shopper motivations, attitudes, and purchase barriers to operate more effectively in marketplace.
    - Track insights and turn into improved traffic and margins for retailers and sustained demand for manufacturers.
    - Coordinate with regional working groups.

- Explore opportunities for expanded retail partnerships; such as using Sears' communication channels for sales staff and customers, "Shop Your Way" online social shopping platform and sponsoring an in-store display.

Risks:

- Reduced opportunities for gas savings measures in addition to lower gas avoided costs.
- Proposed expansion of BPA's Simple Steps program) conflicts with current program offerings.
- Change in products that manufacturers deliver to marketplace affects program offerings.
- Slower than predicted economic recovery.

New Manufactured Homes

Objectives:

- Obtain 559,099 kWh and 200 therm savings through manufactured homes measures.

  (Estimated savings per round one of the 2013 budget process).

Goals:

- Expand savings opportunities within a shrinking manufactured homes market.
- Leverage existing network, including manufactured home retailers and industry stakeholders to educate customer and promote program offerings.

Strategy:

Goal: Expand savings opportunities within a shrinking manufactured homes market.

- Offer new retailer incentives to support higher levels of manufactured homes standards beyond ENERGY STAR.
  - Develop stand alone incentives that promote upgrade measures beyond ENERGY STAR, such as ductless mini-split heat pumps and heat pump water heaters.
  - Create an incentive designed to support the new regional High Performance Manufactured Homes specification.
  - Support EPS incentives for modular homes.

Goal: Influence existing network, including manufactured home retailers and industry stakeholders to educate consumer and promote program offerings.

- Make program participation easier for the retailer by promoting use of the online application form.
- Continue to work with retailers to promote customer education around energy efficient manufactured home options.
- Continue strong relationships with key industry leaders and develop working partnerships with Northwest Energy Works, Oregon Department of Energy, BPA and Oregon Housing Institute.
- Provide materials, resources and communications to retailers
    - Provide information on participation including program requirements, measures, incentives and processes.
    - Promote use of the online application form.
    - Help retailers educate their customers on the benefits of efficient manufactured homes.
- Support field outreach efforts by providing needed tools and resources.

Risks:

- Decrease in manufactured homes market traction.
- Continued slow economic recovery.