



Creating a More Energy Efficient Future for Residential Customers

The ENERGY STAR® Retail Products Platform



June 2020



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What is ENERGY STAR®?

The U.S. Environmental Protection Agency's ENERGY STAR is:

- A voluntary partnership among government, business and consumers to save money and protect our climate through superior energy efficiency
- A widely recognized and trusted mark on products, homes and buildings that meet strict energy efficiency requirements
- The simple choice for energy efficiency!



In 2018 alone, ENERGY STAR and its partners helped Americans save nearly 430 billion kWh of electricity and avoid \$35 billion in energy costs.



The Need for Change

- Shrinking retailer participation in traditional programs
- Introduce cost and complexity
- Small incentives do not influence customers
- Data hard to secure

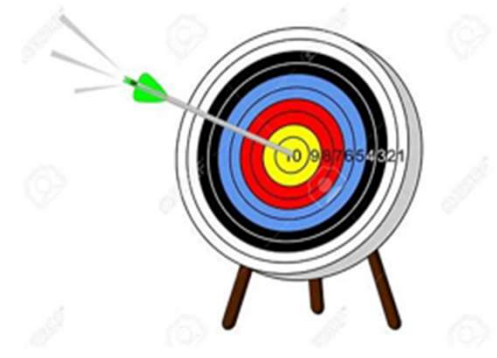
Retailer Perspective: Traditional Programs

10 Data Firms
46 Product Lists
18 Trainings
35 POP Materials
55 Stops
55 Starts
++\$\$ Instant
60 Legal Agreements
41 Mail In Forms
32 Incentives



Retailer Perspective: ESRPP

- 1 Contract
- 1 Start Date
- 1 Data Interface
- 1 Incentive Pool
- 1 Product List
- 1 POP Set
- 1 Evaluation Interview

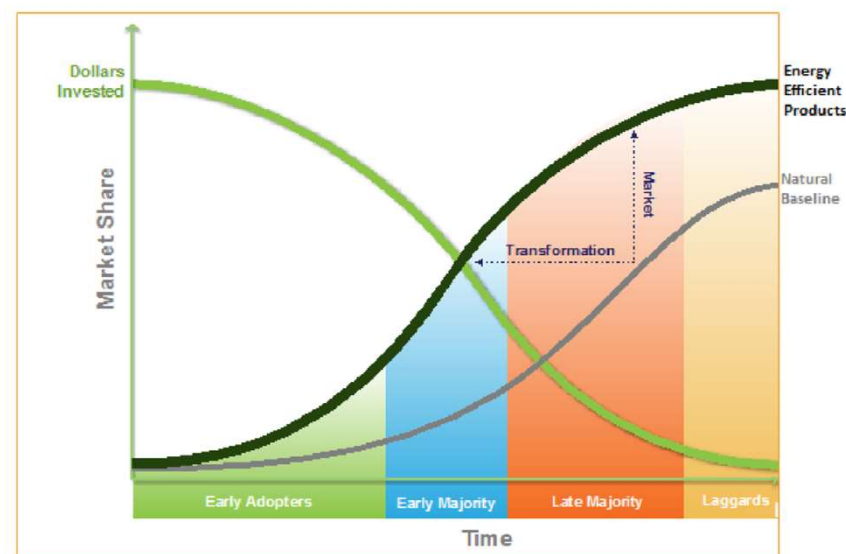


Why this matters to Program Managers:
The retailer focus is on improving Energy Efficiency



What is the ENERGY STAR Retail Products Platform?

- The ENERGY STAR® Retail Products Platform (ESRPP) is a collaborative midstream initiative of ENERGY STAR, energy efficiency program sponsors, retailer partners, and other key stakeholders, facilitated by the U.S. Environmental Protection Agency
- Significant budgets and low administrative costs create strong value proposition for retailers
- Creates savings in growing “miscellaneous/plug load” product categories at significantly lower cost to program sponsors



Source: Northwest Energy Efficiency Alliance—“NEEA’s Definition of Market Transformation”

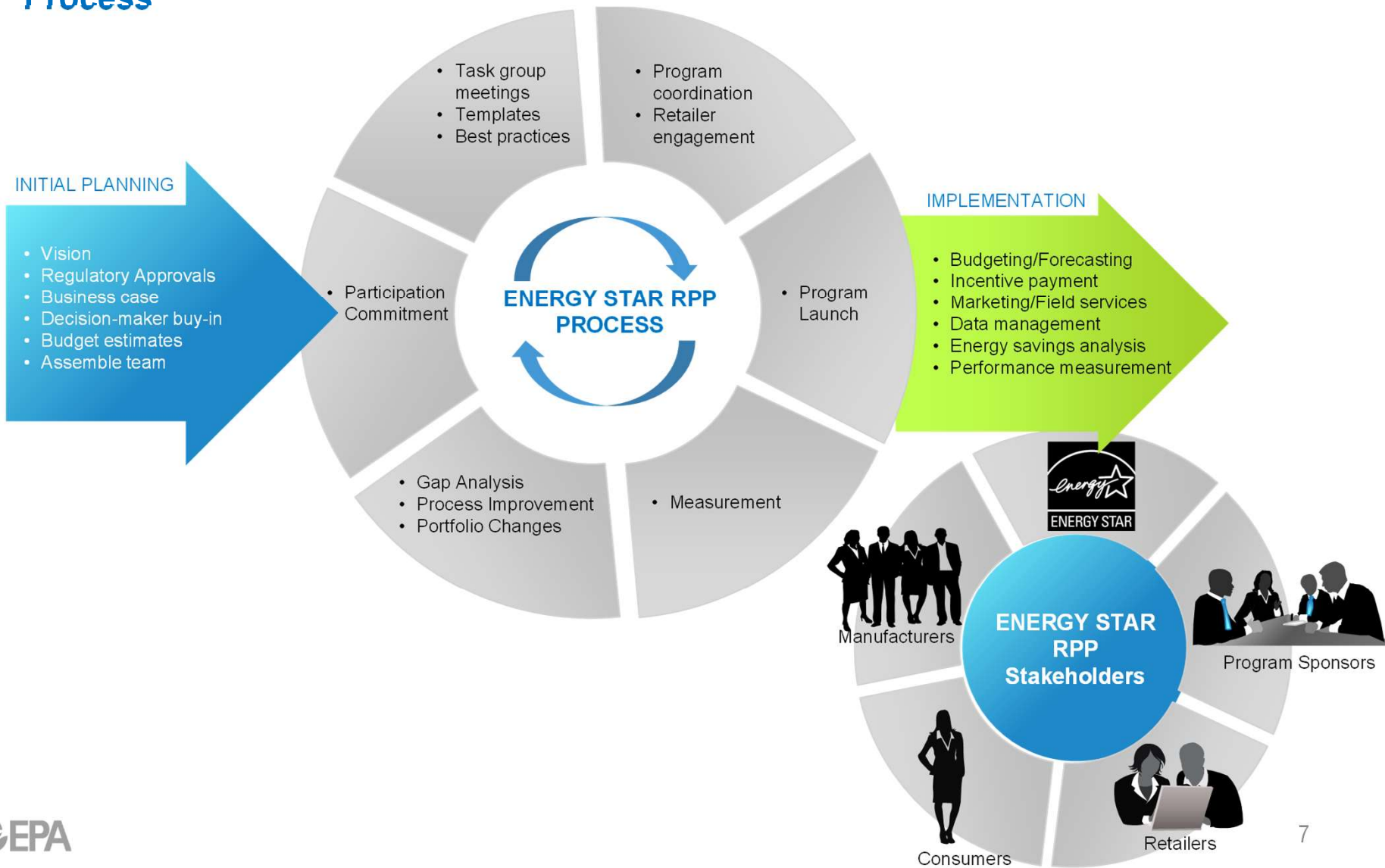


The Midstream Approach

- In a midstream model, program sponsors provide incentives to retailers to encourage stocking, promoting, and selling a higher percentage of energy efficient products.
- Small per-unit incentives, which may be trivial to a consumer in a downstream program, may be significant for a retailer when compared to their profit margin on a product – thus influencing a retailer’s product stocking behavior.
- Resulting increases in sales of high efficiency models can prompt manufacturers to permanently shift to production of these models.



Process





A Message from the ENERGY STAR Retail Action Council

- “We support program sponsors efforts to build scale via the ENERGY STAR Retail Products Platform”
- “We believe the ESRPP is the future of energy efficiency programs, and the future is now!”
- “We are offering to help regulators recognize the energy saving opportunities”
- “We will assist innovative Program Sponsors who join together with the EPA transform the energy efficiency market”





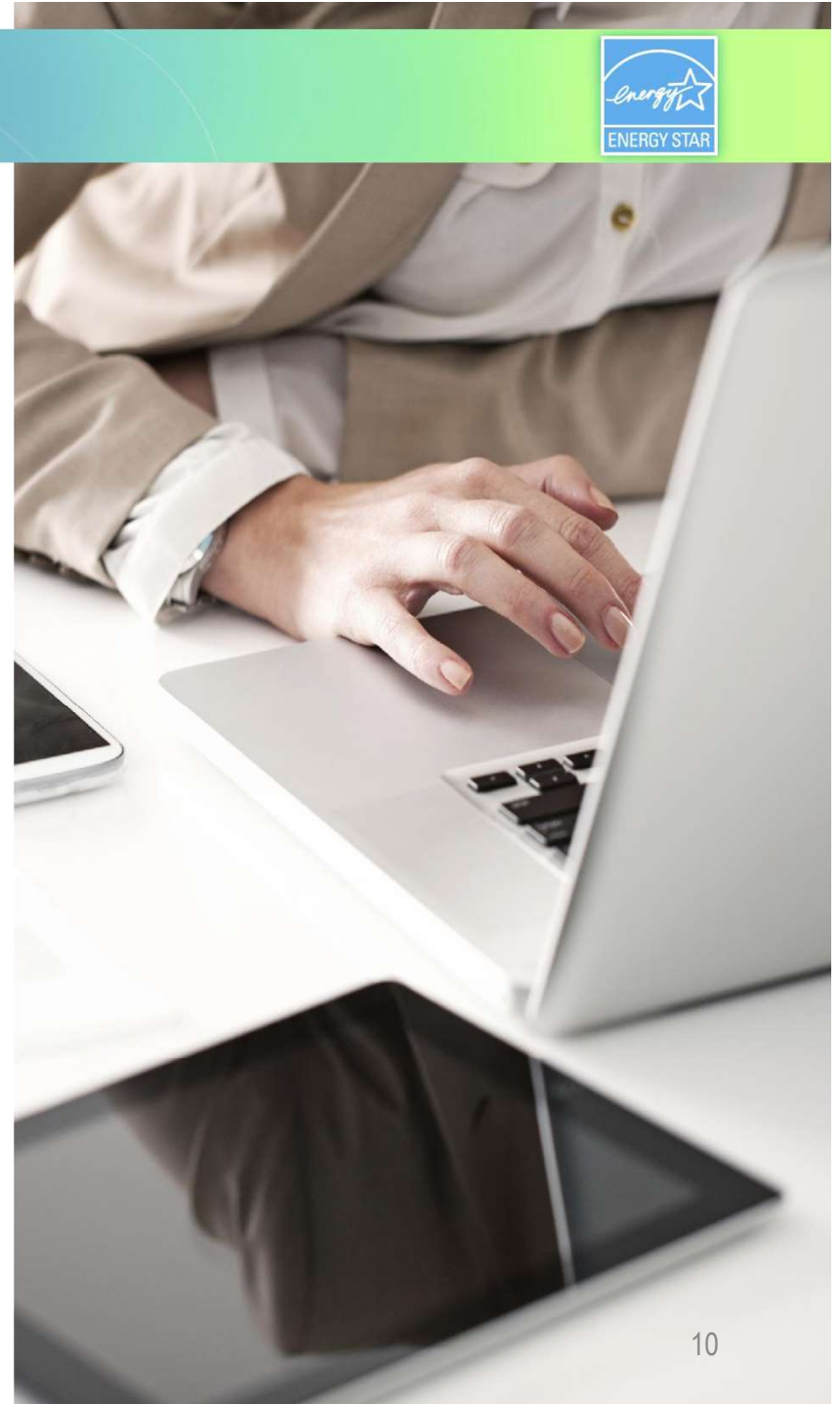
ESRPP Retailer Participation Agreement

- Developed by retailers and program sponsors with provisions for
 - Common signage, marketing plans, data formats, data transmissions, field services Letters of Authorizations, and evaluation interviews with retail merchants and marketers
 - Customizable exhibits for program sponsor-specific requirements: store lists, qualifying products
- Includes many elements that are energy efficiency industry firsts
 - Ongoing category sales data
 - 12 months of historic sales data
 - A mutually created implementation plan
 - A common EM&V interview process



Data

- Benefits
 - Program sponsors gain access to better data
 - Retailers benefit from consistent program structure
- Requirements
 - Model number
 - Sales Date
 - Store ID
- Data solutions company
 - Serves as interface between retailers and program sponsors





Products

In 2020, the ESRPP product portfolio will include the following products:

- ENERGY STAR certified dryers
- ENERGY STAR certified freezers
- ENERGY STAR certified room air conditioners
- ENERGY STAR certified clothes washers
- ENERGY STAR certified refrigerators
- ENERGY STAR certified smart thermostats

The ESRPP Program Sponsors decided to focus on the products in the 2020 portfolio based on opportunities to streamline program operations and reduce administration costs, the ability to increase leverage with retailers, and specification revisions underway,



Marketing, Field Services, and Implementation

- Marketing: in-store signage
 - Retailers pre-approve, no turnaround time or review
 - Prominent program sponsor branding
 - Flexible color scheme and tagline for program sponsor brand alignment
- Implementation Plan
- Letters of Authorization
- Field Services Tool Kit





Evaluation—A Different Approach is Required

- ESRPP is still in the early stages of evaluation where the focus is on proving the concept.
- The following program evaluation design and analysis methods are recommended for ESRPP:
 - Use a theory-driven evaluation approach based on a pre-established program theory and logic model
 - Set clear and measurable short-term, mid-term, and long-term indicators to be used as a measure of progress over time.
 - Establish a baseline against which the program impacts can be measured.



ENERGY STAR Retail Products Platform Update

2020 Participants*

- CA: PG&E and SMUD
- CT: Eversource CT, UIL Holdings
- ID, MT, OR & WA: NEEA
- IL: ComEd
- MD: BGE, PEPCO, SMECO, Delmarva Power, Potomac Edison-FirstEnergy
- MN: Xcel Energy
- NY: Con Ed, NYSEG, RG&E
- VT: Efficiency Vermont

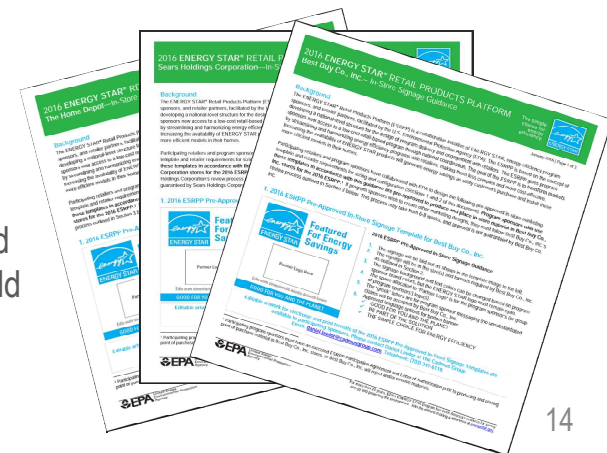
Discussions Regarding 2020/2021

- CA: SCE and SDG&E
- DC: DC SEU
- IL: Ameren
- MA: Eversource
- RI: Eversource

*ESRPP program years run from April 1 – March 30.



- Implementing at more than 1,000 store locations at Best Buy, Home Depot, Sears, Nationwide Marketing Group, and Lowe's in program year 2020.
- Receiving on-going full category sales data
- 12 months historic category sales data
- Retailers and Program Sponsors working together to select future product categories
- Largest appliance and CE manufacturers beginning to collaborate with ESRPP

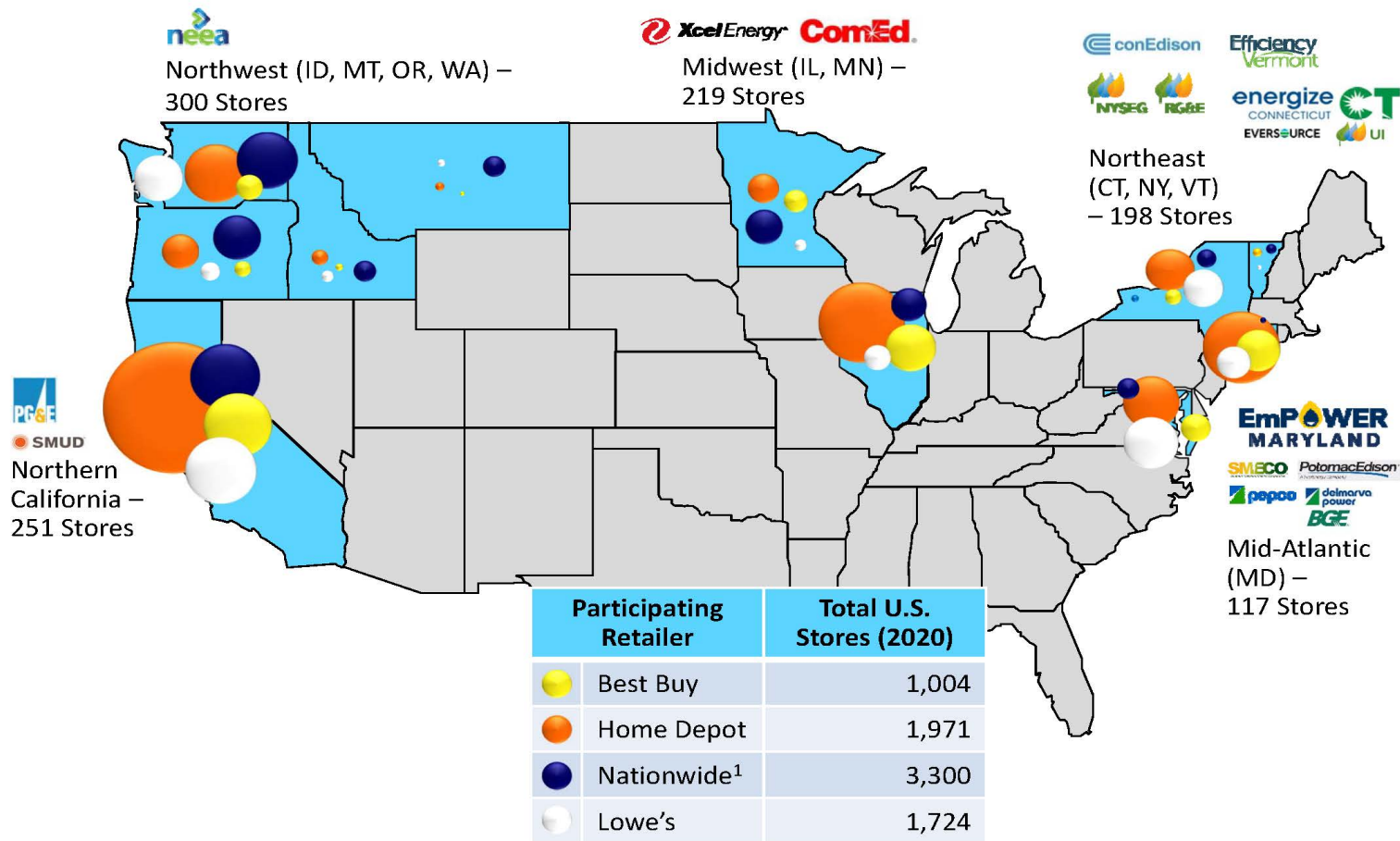


Pre – approved
signage and field
services
authorization



2020* Highlights

- 4 participating retailers
- 16 program sponsors in 11 states
- More than 1,000 storefronts
- More than 18% of the U.S. market covered



1. Only stores selling appliances



2020 and Beyond

- **Build platform and scale to support national energy savings**
 - Undertake executive level/regulatory outreach
 - Support EM&V and Share Best Practices
 - Refine Working Groups and Program Infrastructure





Getting Involved

Getting Started

- Contact EPA via esrpp@energystar.gov to discuss program concept and potential role
- Help shape discussions with regulators and evaluators
- Visit www.energystar.gov/ESRPP

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Appendix

- FAQs
- Resources
- Basic Structure
- Roles, Responsibilities, Working Structure



FAQs:

Where can I find the additional resources?

Visit www.energystar.gov/ESRPP. Additional resources, including information regarding ESRPP evaluation, data, products, participation, and marketing/field services, can be found on the ESRPP Google Drive. For access to Google Drive, please contact ESRPP@energystar.gov.

How is the group structured?

ESRPP is structured to incorporate input from all participants, including retailers, program sponsors, and manufacturers. The program has developed task forces for each major component of the program and these task forces meet regularly to review updates and resolve issues or questions. The task forces include members from the program sponsors, EPA, and stakeholders. ESRPP members convene bi-weekly to review progress made within the task forces and discuss how best to move the program forward.

How are decisions made among program sponsors involved in the pilot?

The ESRPP is a collaborative effort, so all decisions are made at the task force level once a consensus is reached among participants. This ensures that all participants have a voice in program developments. Once an issue is resolved at the task force level, it is discussed among the full group during the bi-weekly status meetings.



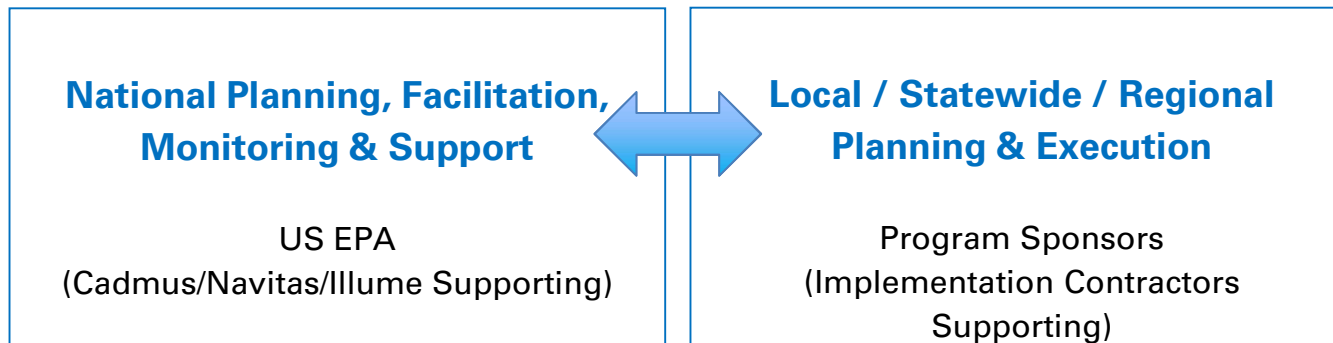
ESRPP Resources

- **Overview:**  2019 Progress Report, 1-pager, Pitch Deck, and Sample Filing Language
- **EM&V:** Evaluation Approaches Guidance, FAQs, and Data Resources
- **Data:** Data Management Services Procurement Guidance
- **Products:** Product Savings Analysis, Product Transition and Introduction Guidance
- **Marketing/Field Services:** Signage Templates, Field Services Toolkit, Letters of Authorization
- **Legal:** Participation Agreements

All resources are available on the ESRPP Google Drive. For access, please contact esrpp@energystar.gov.



ESRPP Basic Structure



- At the start of the initiative, in September 2014, the core stakeholder group defined critical aspects of a successful and innovative nationally coordinated market transformation-based energy efficiency program.
- Special consideration was given to how to engage stakeholders in the design of this new platform to help the group realize the significant efficiencies of scale, energy savings, and environmental benefits promised by this approach.
- Volunteers lead efforts in each key area, and rely on EPA to help lead some aspects of the planning and provide overall facilitation to help the group stay focused on delivering on their long term vision.



ESRPP Roles, Responsibilities & Working Structure

Task Force	Lead(s)	Goal
1. EM&V/ Regulatory	P. Banwell, EPA D. Lawlor, Cadmus S. Conzemius, Illume	To develop “new” approach to EM&V, create guidance to serve as foundation of individual EM&V plans.
2. Data	B. Littlehales, NEEA	To manage secure, centralized, machine-to-machine data exchange infrastructure and processes. Retailers use data portal as a central repository for sales data; Sponsors use as central source for program management & EM&V.
3. Products	E. Olson, NEEA	To coordinate product portfolio management, including product additions and retirement, tiers, relationship to ENERGY STAR specifications, etc.
4. Outreach	D. Lawlor, Cadmus	To educate the broad stakeholder community about the ESRPP. Outreach includes EEPS, program implementers, retailers, manufacturers, and the EM&V/regulatory community. Channels include recruiting sponsors and retailers, facilitating group presentations at industry meetings and conferences, developing white papers, etc.
5. Marketing	S. Duffy, Cadmus	To build a consistent core look & feel for EEPS program materials, including key messaging and design elements and retailer pre-approved POP templates. (Includes field services and implementation: objective to create a consistent set of resources for EEPS to use with field implementers, and to build in important field to program feedback loop for the group’s future planning.)
6. Retail & Legal	P. Kilroy, Navitas	To ensure retailers experience streamlined interactions with EEPS from the beginning of the pilot by serving as the single point of contact for the retailers. This role is envisioned to diminish as the platform is scaled and infrastructure built to be more “self-service.” Also creates master agreement templates for ESRPP, and address other legal issues of concern to the group. Facilitates the ENERGY STAR Retail Action Council (ESRAC).



Additional Key Roles & Activities

Area	Lead(s)	Goal/Scope
ENERGY STAR Retail Action Council (ESRAC)	Best Buy The Home Depot Lowe's Nationwide	To ensure that program sponsor get the benefit of strategic insights from the market in the planning, implementation, evaluation, and continuous improvement of ESRPP, which is designed to fully leverage the power of key market actors to secure the most cost-effective, persistent, energy savings in the retail sector.
Standing Meetings	P. Banwell H. Tomlinson	<ul style="list-style-type: none"> • Task force updates <ul style="list-style-type: none"> ○ bi-weekly with all interested stakeholders ○ Quarterly retailer marketing reports • Products task force—monthly • EM&V task force—monthly • Data task force—monthly • ENERGY STAR RAC, other task force, and individual sponsor meetings—scheduled as needed
Overarching	H. Tomlinson	To provide a centralized infrastructure for planning and coordination among sponsors as platform is developed. Manage key milestones, program documents, communication with sponsor group, and cross-cutting tasks.