

New Jersey Clean Energy Programs 2001 Program Plan

RESIDENTIAL ENERGY STAR APPLIANCE PROGRAM

Overview

The Residential ENERGY STAR Appliances Program, offered by PSE&G, GPU and Conectiv, promotes the sale and purchase of ENERGY STAR appliances primarily through marketing, consumer education and related activities. The long-term goal will be to transform the appliance market to one in which efficient products become the market standard. Experience in other parts of the country suggests that the Program will have to overcome several market barriers to achieve this goal. Key among these are: (1) lack of consumer awareness on the benefits of efficient models; (2) inability of consumers to differentiate efficient from inefficient products; (3) limited availability of efficient models in key retail outlets; (4) lack of retailer understanding of the efficiency, its benefits and how to “sell” it; and (5) higher first costs. The Program will employ several strategies to address these barriers:

- Consumer education on the benefits of ENERGY STAR appliances;
- Marketing to raise the market visibility of these products, focusing particularly on promotion of the ENERGY STAR brand – integrated with ENERGY STAR marketing in other product areas (e.g. Lighting, Windows and New Homes) to the extent appropriate;
- Retail sales training and point of sale materials to help sales people more easily and effectively identify and market the benefits of efficient products; and
- Support (as appropriate) for up grading minimum federal appliance efficiency standards.

This Program is a new initiative for which no previous regulatory approval existed. Initially, retailer enlistment and support activities will be the focus of the ENERGY STAR® Appliance Program with marketing and special product promotions for anticipated for the fall of 2001.

The Program plan anticipates retailer support activities including enlistment into the Program, training, and marketing assistance. The 2001 Program concept of retailer support is expanding and has emerged as a core Program component and market opportunity.

Program progress and accomplishments will be updated on a quarterly basis.

Target Market/Eligibility

The Program promotes ENERGY STAR appliances that are largely purchased by residential customers. However, there may be limited spillover to small commercial customers who also purchase appliances at retail outlets used by residential customers.

Efficiency Measures/Standards

The Program promotes ENERGY STAR appliances. The initial focus of the Program will be on four appliances -- refrigerators, clothes washers, dishwashers, and room air conditioners. However, efforts will also be made to promote ENERGY STAR home electronics products (DVD, home audio, televisions, television/VCR combinations, and VCRs) and office equipment products (computers and monitors, copiers, fax machines, multifunction devices, printers, and scanners). Because many major retail outlets now carry appliances, electronics, *and* home office equipment, the opportunities to simultaneously promote products across all three categories will be pursued whenever possible.

As the Program develops over the four-year planning period additional appliances are likely to be added to the ENERGY STAR list (e.g. dehumidifiers). The ENERGY STAR specifications for each product are also likely to evolve as federal standards change, and new products enter the market. The Program will adapt to these types of changes as appropriate.

Incentives

The Program will not provide any consumer incentives.

Joint/Coordinated Delivery

All electric utilities will meet regularly to coordinate the development of a consistent Program design and to ensure the Program is implemented in a consistent fashion across the state. The utilities will develop and implement joint marketing and brand awareness campaigns, and a joint evaluation plan. They will also ensure that consistent retail marketing support activities are provided statewide. Evaluation activities will include regular brief market progress reports based largely on analysis of Program data and, less frequently, comprehensive field evaluations to assess changes in key market indicators.

The appliance Program will take maximum advantage of opportunities to coordinate with national and regional activities. Examples include EPA's/DOE's national ENERGY STAR program and the Northeast Energy Efficiency Partnerships (NEEP's) regional program. The Program's marketing message will be delivered through multiple channels including point of sale materials, special promotions, the Internet, and mass media.

Program marketing efforts will also be integrated with the other New Jersey ENERGY STAR programs targeting residential retail channels (e.g. Lighting and Windows). Indeed, some portion of the Program marketing efforts may be allocated to broader, umbrella marketing campaign for all residential ENERGY STAR products.

2001 Timeline/Milestones

The utilities will meet the following milestones for Program development and implementation:

- Program Launch: Develop initial retailer outreach, training and support strategy, and announce Program to retailers by direct mail by June 1, 2001;
- Complete comprehensive 2001 marketing plan by July 1, 2001;
- Secure needed Program contractor services and/or utility representatives and begin retailer outreach and enlistment by July 1, 2001;
- Assess the status of opportunities to influence and support federal appliance efficiency standards and develop and begin implementation of an action plan to address opportunities by August 31, 2001;
- Develop and implement ENERGY STAR® appliance product sales training for individual sales persons by September 15, 2001;
- Develop and implement ENERGY STAR® Appliance consumer education effort by September 30, 2001; and,
- Hire independent vendor to begin statewide evaluation by December 31, 2001.

Performance Indicators

The Program is intended to generate critical measurable results and momentum towards the more general transformation of the targeted appliance markets. The market indicators that may be used to measure this progress include:

- Decrease in the incremental first costs for each type of high efficiency product;
- Market share for each product;
- Number of qualified ENERGY STAR products available and on display;
- Consumer recognition and use of the ENERGY STAR brand when making purchases; and
- Customer and Salesperson familiarity with energy efficient products.
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2001 Program Goals

The ENERGY STAR® Appliance Program has several inter-related goals for the 2001 program year. Chief among these are to:

- Enlist 75 appliance retailers (i.e., approximately 50% of the total appliance retailers identified by the baseline market research) and provide Program participation instruction and marketing support (messages, material and opportunities for cooperative marketing)¹; and
- Provide ENERGY STAR® product sales training to at least 100 individual appliance sales persons.

Minimum Requirements for Program Administration

The utilities must do each of the following in 2001:

¹ “Enlist” retailers is defined as securing a Program participation agreement, and the placement of Program marketing materials at the retailer point-of-sale.

- Collectively implement all elements of the Program in a consistent manner across the entire state;
- Collectively complete the activities listed in all seven milestones identified above within 60 days of the target dates, and complete the activities listed in at least three of the seven by the target dates; and,
- Collectively achieve at least one of the two Program goals listed above.

New Jersey Clean Energy Programs

2001 Program Plan

RESIDENTIAL ENERGY STAR LIGHTING PROGRAM

Overview

The ENERGY STAR Lighting Program, offered by PSE&G, GPU, and Conectiv, will seek to transform specific components of residential lighting markets – focusing particularly on fixtures – through a comprehensive and coordinated set of market interventions. The long-term objective of the Program is to develop a self-sustaining market presence for ENERGY STAR lighting products. The Program must overcome several market barriers to achieve this goal. Key among these are: (1) lack of consumer awareness of the benefits of efficient lighting technologies; (2) some poor experience with early generations of efficient lighting; (3) limited availability of high quality, aesthetically appealing, efficient products (particularly fixtures); (4) lack of shelf space for screw-in (CFL) products in retail outlets at which many consumers buy bulbs (e.g. supermarkets); (5) higher first cost; and (6) inability of consumers to differentiate between efficient and inefficient products. This Program employs several key strategies to address these barriers:

- Marketing and brand awareness promoting ENERGY STAR lighting products – integrated to the extent appropriate with marketing of other New Jersey Programs promoting ENERGY STAR products (i.e. Appliances, Windows and New Homes);
- Retail sales training & point of sale materials (for both fixtures and screw-ins);
- Design competition for ENERGY STAR lighting fixtures (coordinated with national or regional activity);
- Participation in bulk procurement activities for specific fixtures such as high efficiency recessed cans; and
- Development and marketing to builders of high efficiency fixture packages for new construction and major retrofit applications.

In addition, the utilities may provide both incentives for efficient fixtures and consumer mail order catalogs.

This Program is a new initiative for which no previous regulatory approval existed. Retailer enlistment and support activities, along with consumer education and direct-to-consumers product offerings, will be the focus of the ENERGY STAR® Lighting Program in 2001. Program progress and accomplishments will be updated on a quarterly basis.

Target Market/Eligibility

All residential customers are eligible to participate.

Efficiency Measures/Standards

The Program addresses three primary lighting technologies. These are screw-based lamps, hardwired fixtures and portable fixtures. Program support will focus on lighting technologies meeting ENERGY STAR standards for efficient lighting products.

Incentives

Consumer incentives (\$10 to \$15) may be offered for ENERGY STAR® lighting fixtures during 2001. These incentives are specifically intended to create early Program interest and sales activity. Program These incentives may be reduced or eliminated over time in response to market changes such as increased market shares for efficient fixtures.

Joint/Coordinated Delivery

PSE&G, GPU and Conectiv will meet regularly to both coordinate the development of a consistent Program design and ensure that it is implemented in a consistent fashion across the state. As noted above, the utilities will use identical Program eligibility requirements, efficiency and incentive levels. In addition, the utilities will develop and implement a joint brand awareness and retail marketing support strategies and a joint evaluation plan. Evaluation activities will include regular brief market progress reports based largely on analysis of Program data and, less frequently, comprehensive field evaluations to assess changes in key market indicators.

The Program will take maximum advantage of opportunities to coordinate with regional and national campaigns. Examples of such campaigns are EPA's/DOE's ENERGY STAR and Northeast Energy Efficiency Partnerships (NEEP's) Regional Lighting Programs. The Program's marketing messages will be delivered through multiple channels (e.g. point of sale, retail catalog, print, radio, television, and the internet).

Program marketing efforts will also be integrated with other New Jersey residential ENERGY STAR Programs targeting retail channels (e.g. Appliances and Windows). Indeed, some portion of the Program marketing efforts may be allocated to a broader, umbrella marketing campaign for all residential ENERGY STAR products.

2001 Timeline/Milestones

The utilities will meet the following milestones for Program development and implementation:

- Program Launch: Issue preliminary announcement to retailers by May 9, 2001 and develop initial retailer outreach, training and support strategy, and announce Program to retailers by direct mail by June 9, 2001;
- Complete comprehensive 2001 marketing plan by July 1, 2001;
- Secure needed Program contractor services and/or utility representatives and begin retailer outreach and enlistment by August 1, 2001;
- Develop and implement ENERGY STAR® lighting product sales training for individual sales persons by September 15, 2001;
- Develop and implement ENERGY STAR® lighting consumer education effort by September 30, 2001;
- Review and assess the opportunities and need for a lighting products catalog and fulfillment mechanism to supplement the retail lighting approach by December 15, 2001; and,

- Hire independent vendor to begin statewide evaluation by December 31, 2001.

Performance Indicators

The Program is intended to generate critical measurable results and momentum towards the transformation of targeted lighting markets. The market indicators that may be used to measure this progress include:

- Decreases in the incremental first costs for each type of targeted ENERGY STAR product;
- Market share for each targeted ENERGY STAR product, accounting separately for new construction and retrofit opportunities;
- Number of ENERGY STAR qualified products available and on display;
- Increased production and availability of efficient products for common applications (recessed cans);
- Customer and salesperson familiarity with energy efficient products; and
- Customer recognition of the benefits of ENERGY STAR lighting products.

2001 Program Goals

The ENERGY STAR® Lighting Program has several inter-related goals for the 2001 Program year. Chief among these are to:

- Enlist 150 lighting retailers and provide Program participation instruction and marketing support (messages, material and opportunities for cooperative marketing)²;
- Provide ENERGY STAR® product sales training to at least 300 individual lighting sales persons; and,
- Document at least 22,500 ENERGY STAR fixture sales in 2001 as a result of Program activities.

Numerical goals tied to market shares, consumer awareness and other performance indicators will be developed for subsequent years.

Minimum Requirements for Program Administration

The utilities must do each of the following in 2001:

- Collectively implement all elements of the Program in a consistent manner across the entire state;
- Collectively complete the activities listed in all seven milestones identified above within 60 days of the target dates, and complete the activities listed in at least three of the seven by the target dates; and
- Collectively achieve at least two of the three Program goals listed above.

² “Enlist” retailers is defined as securing a Program participation agreement, and the placement of Program marketing materials at the retailer point-of-sale.

New Jersey Clean Energy Programs 2001 Program Plan

RESIDENTIAL ENERGY STAR WINDOWS PROGRAM

Overview

The Residential ENERGY STAR Windows Program offered by PSE&G, GPU and Conectiv promotes the sale and purchase of ENERGY STAR rated windows. The long-term goal is to transform the market to one in which ENERGY STAR windows becomes the market standard. The program employs several key strategies to accomplish this goal:

- A consumer marketing campaign promoting ENERGY STAR windows – integrated to the extent appropriate with marketing of other New Jersey programs promoting ENERGY STAR products (i.e. Appliances, Lighting, and New Homes);
- Sales training and marketing support to retailers and contractors selling ENERGY STAR windows;
- Outreach to regional window industry representatives to encourage labeling and promotion of ENERGY STAR windows;
- Facilitating consumer access to financing for the purchase of ENERGY STAR windows; and
- Support (as appropriate) for up-grading state code and minimum federal efficiency standards.

This Program is a new initiative for which no previous regulatory approval existed. Retailer enlistment and support activities will still be the initial focus of the Program. As the Program matures, an expanded emphasis on manufacturer outreach and an expanded promotional role for manufacturers will be considered. Program progress and accomplishments will be updated on a quarterly basis.

Target Market/Eligibility

Any residential customer or builder purchasing new windows is eligible to participate.

Efficiency Measures/Standards

The program promotes windows meeting the ENERGY STAR efficiency standard (i.e. minimum U-value of 0.40 and maximum SGHC of 0.55).

Incentives

No financial incentives are offered.

Joint/Coordinated Delivery

All program elements will be delivered jointly. All program contractors – whether for consumer marketing, outreach to retailers, or evaluation – will be hired collectively. The program will be coordinated, to the maximum extent possible, with similar regional and

national efforts. These may include EPA's/DOE's ENERGY STAR initiative, NEEP's initiative, and the Alliance to Save Energy's initiative).

2001 Timeline/Milestones

The utilities will jointly meet the following milestones for Program development and implementation:

- Program Launch: Develop initial retailer outreach, training and support strategy, and announce Program to retailers by direct mail by June 1, 2001;
- Complete comprehensive 2001 marketing plan by July 31, 2001;
- Secure needed Program contractor services and/or utility representatives and begin retailer outreach and enlistment by August 15, 2001;
- Develop and implement ENERGY STAR® Windows consumer education effort by September 30, 2001; and,
- Hire independent vendor to begin statewide evaluation by December 31, 2001.

Performance Indicators

The following criteria will be used to judge performance:

- Market share for ENERGY STAR windows;
- Availability of ENERGY STAR windows (e.g. retailer stocking and display patterns);
- Customer awareness of the benefits of efficient equipment; and
- The level of trade ally marketing (or co-marketing) of ENERGY STAR windows.

2001 Program Goals

The ENERGY STAR® Windows Program has several inter-related goals for the 2001 Program year. Chief among these are to:

- Enlist 150 window retailers (i.e, approximately 35% of the total window retailers identified by the baseline market research) and provide Program participation instruction and marketing support (messages and point of purchase material)³; and
- Enlist at least two of the top four window manufacturers (total window sales – as identified by the baseline market research) in a Program element designed to assist manufacturers with co-promotion of ENERGY STAR® Windows through local New Jersey retailers to consumers.

Minimum Requirements for Program Implementation

The utilities must do each of the following in 2001:

- Collectively implement all elements of the Program in a consistent manner across the entire state;

³ “Enlist” retailers is defined as securing a Program participation agreement, and the placement of Program marketing materials at the retailer point-of-sale.

- Collectively complete the activities listed in all five milestones identified above within 60 days of the target dates, and complete the activities listed in at least three of the five by the target dates; and,
- Collectively achieve at least one of two Program goals listed above.