



Empowering you to make
smart energy choices

The Many Benefits of Upstream Programs

Connecticut's Residential HVAC and WH Programs

Presented By: Lisa Sarubbi – UI, CNG, SCG
November 1, 2017



Energize Connecticut

- Energize Connecticut is the state's initiative to help consumers save money and use clean, affordable energy
- Electric and natural gas ratepayer funded
- A partnership of the Energy Efficiency Fund, the Connecticut Green Bank, Department of Energy and Environmental Protection (DEEP), and local electric and gas utilities
- Programs include Residential, Commercial & Industrial, Education, and Clean Energy Communities

Energy Efficiency in Connecticut



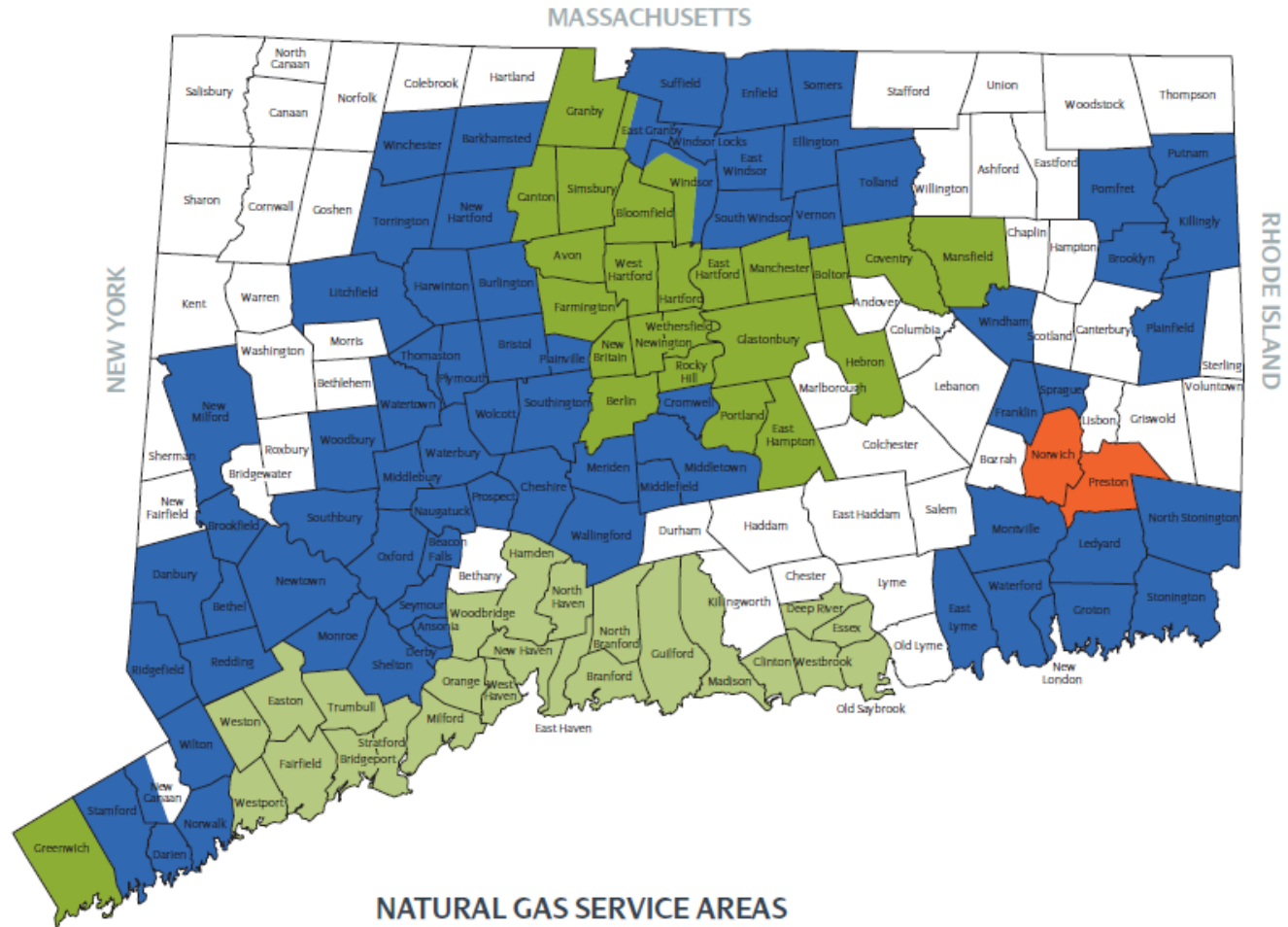
Created by legislature to provide cost-effective electric energy efficiency and load management programs

Objectives

- To advance the efficient use of energy
- To reduce air pollution and mitigate negative environmental impacts
- To promote economic development and energy security

CT Service Territory: Natural Gas

442,000 Residential Gas customers in the participating Energize Connecticut utility towns



NATURAL GAS SERVICE AREAS

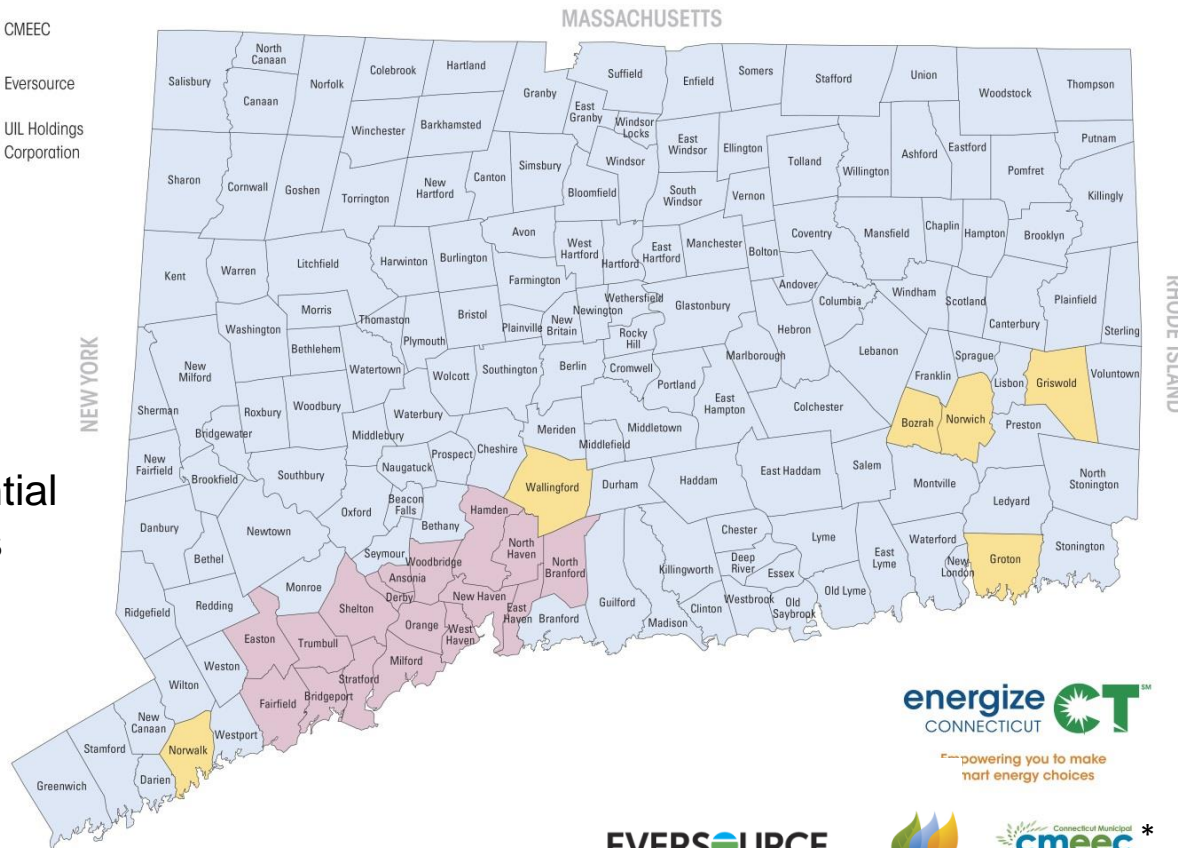
- Connecticut Natural Gas
- Southern Connecticut Gas
- Eversource Energy
- City of Norwich Department of Public Utilities



CT Service Territory: Electric

Electric Service Areas

- CMEEC
- Eversource
- UIL Holdings Corporation



1,325,000 Residential Electric Customers

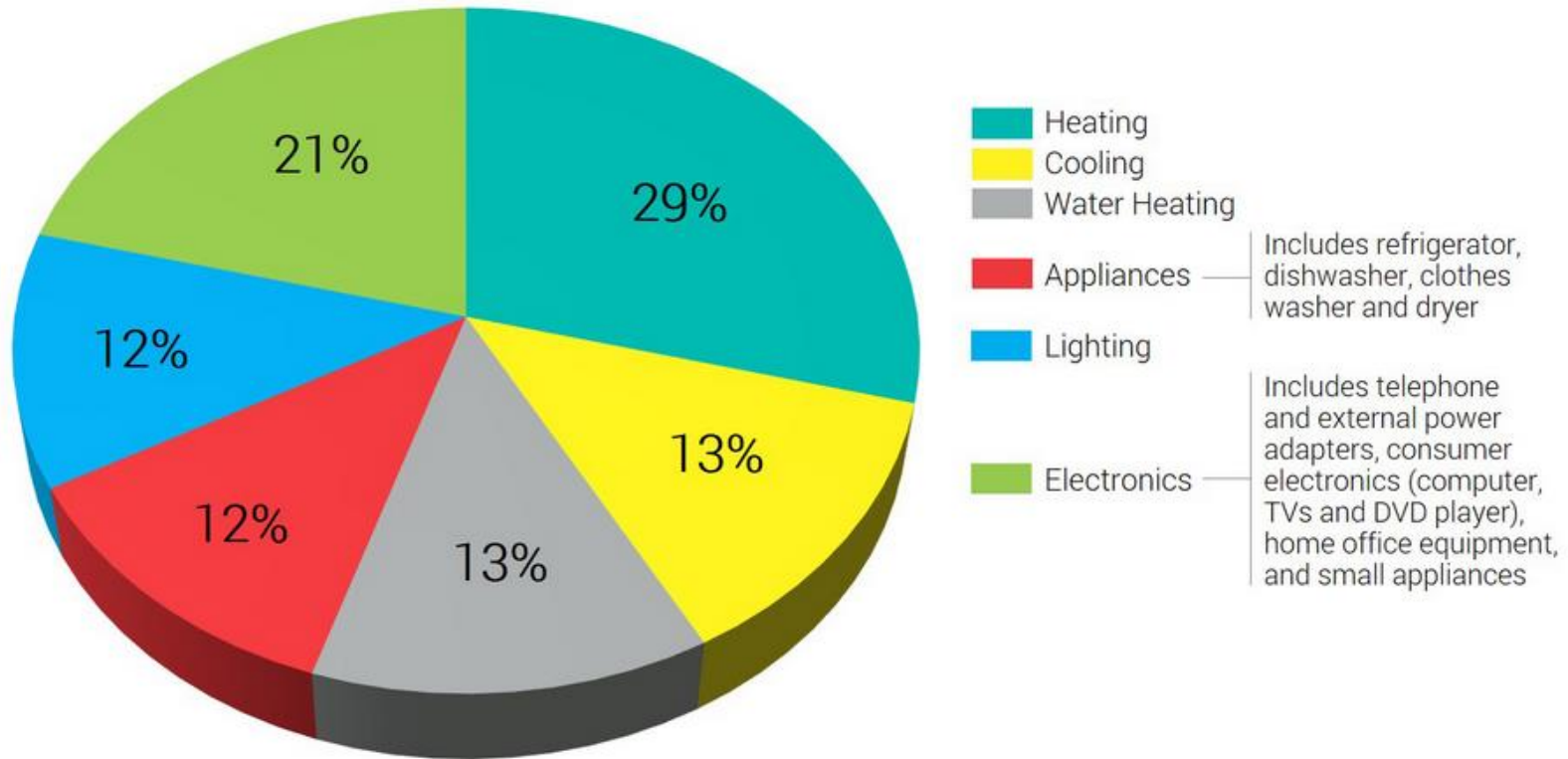


* Wallingford is now an independent municipal electric company outside of CMEEC.

Connecticut's Upstream/Midstream Programs

- Upstream (incentive payment to manufacturer)
 - Residential Lighting
- Midstream (incentive payment to distributor/retailer)
 - **Residential HVAC/WH**
 - Commercial Lighting
 - Commercial HVAC (select products)

Energy Use in the Average Single Family Home



Source: Typical House Factoid Memo. Lawrence Berkeley National Laboratory. April 2013.

Program Objectives

- Increase market share of energy-efficient equipment sold and installed
- Increase program participation and reduce rebate breakage
- Easy incentive/rebate redemption
- Increase awareness and customer education
- Increase stocking of energy-efficient equipment at Distributors/Retailers
- Emergency replacements
- Educate Contractors

Why Move Upstream/Midstream?

- Goals:
 - Market transformation
 - Increase high-efficiency equipment stocking and sale
 - Improve program delivery:
 - Eliminate rebate breakage
 - Reduce market confusion
 - Improve customer interest and understanding
 - Improve historically low distributor and contractor program understanding

Residential Incentives - 2017

- ENERGY STAR® Natural Gas Water Heaters:
 - Tankless 0.94 EF+: \$300
 - Condensing 95% TE: \$300
- Heat Pump Water Heaters: \$600, or \$400 at retail with \$200 mail-in rebate to customer
- Ductless Heat Pump: \$300-\$500
- Natural Gas Boiler
 - 90-93.99% AFUE: \$450
 - 94%+ AFUE: \$750
- Natural Gas Furnace: \$800
- Oil/Propane Furnace : \$250
- Boiler Circulator Pump : \$75

Distributor/Retailer Enrollment Success

- Program Pilot began October 2013
- Statewide Rollout April 2014



Participating Distributors	Branches
52	110
Participating Retailers	Branches
4	54

**~ 99%
distributor
participation**

Participation Requirements

Distributors	Retailers
<ul style="list-style-type: none">• Sign agreement• Mark down eligible equipment when sold in participating towns• Licensed installers only• Collect end user information• Send submission template and invoices to rebate fulfillment vendor• Reimbursed mark down plus \$5 - \$15 processing fee within 30 days	<ul style="list-style-type: none">• Sign agreement• Mark down eligible HPWH's• Submit Point Of Sale (POS) data monthly to rebate fulfillment vendor• Reimbursed within 30 days• Placement of \$200 mail-in rebate on displays

Quality Assurance

- Rebate vendor verifies against double-dipping
- Gas territory placemats
- Post inspections
- Pre-approval requirement for multi unit installations
- Customer “thank you” postcard:

Did you know that heating, cooling and hot water account for more than half of the energy used in your home?

Your new energy-efficient equipment is helping you cut back on utility costs while making your home more comfortable. Plus, you saved instantly through the Energize Connecticut initiative!

When your installation contractor purchased the equipment, an Energize Connecticut discount was applied. You saved between \$75 and \$800 without filling out a rebate form!

If you have questions regarding your equipment, please contact the installing contractor.

Participating utilities and/or their respective agents reserve the right to conduct field inspections to verify installations.

For more ways to save and for details on the instant discount applied, visit EnergizeCT.com

Eversource
PO Box 270
Hartford, CT

EVERSOURCE
ENERGY



Energize Connecticut – programs funded by a charge on customer energy bills.



Customer Education & Marketing

- Point of Purchase (POP)
- Radio & Billboards
- Educational webpages, brochures & videos
- Geo-targeted ads
- Targeted direct mail
- Trade-allies training

ENERGY STAR® Natural Gas Furnace or Boiler
SAVE \$450-\$800 NATURALLY!

SPECIAL PRICING ON SELECT ENERGY STAR® ELECTRIC HEAT PUMP WATER HEATERS

ENERGY STAR® Natural Gas Water Heater
BIG SAVINGS NATURALLY!

INSTANT DISCOUNT \$300
PRICE OF PARTICIPATING MODELS REFLECTS ENERGIZE CONNECTICUT INSTANT DISCOUNT

ASK OUR SALES AND SERVICE TEAM FOR DETAILS.

For more information call 1-877 WISE USE (877-947-3873) Or visit EnergizeCT.com

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Empowering you to make smart energy choices

EVERSOURCE ENERGY **UI** **SCG** **CNG**

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Congratulations on your high efficiency equipment purchase!
You are saving by making smart energy choices.

energize CT CONNECTICUT

Replace Yours Before it fails!

Find Out More!

ENERGY STAR

Heat Pump Water Heaters save 50% on Your Water Heating Bill

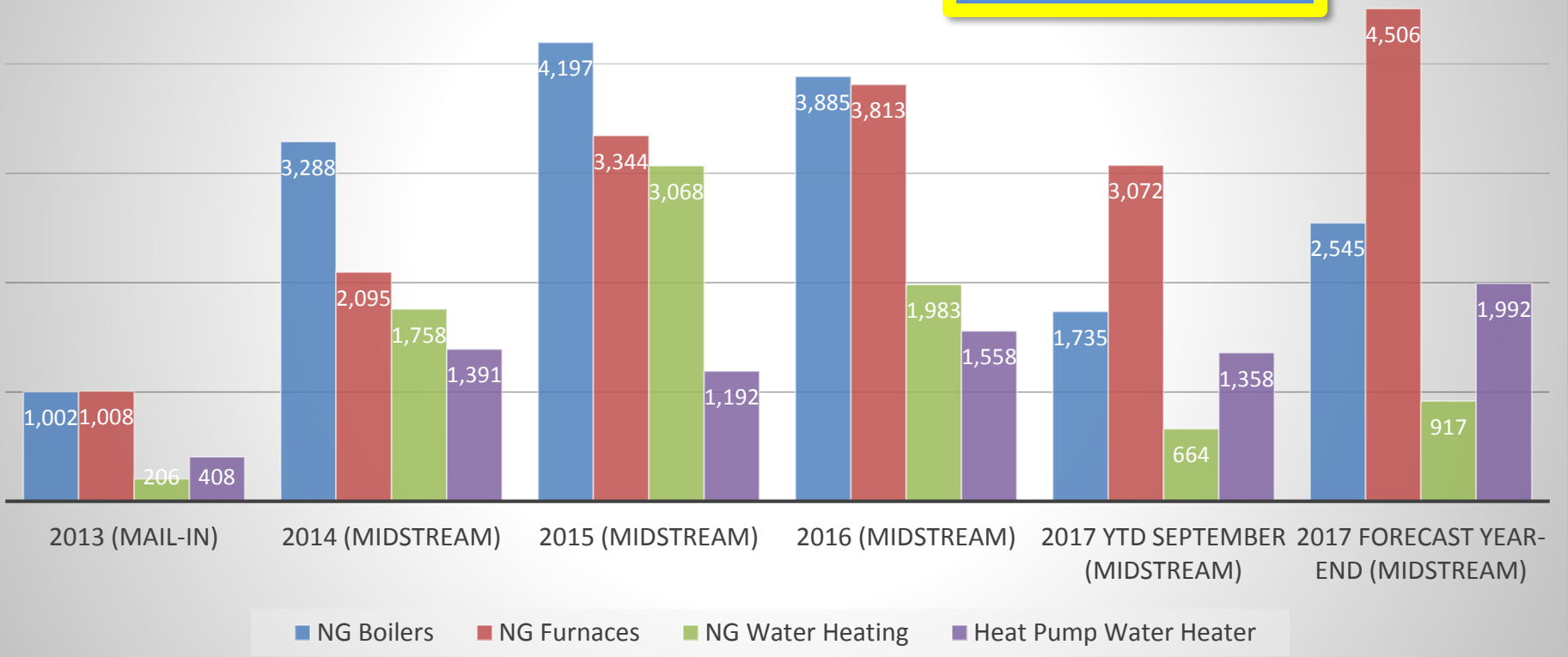
Get \$600 off when you purchase one today!

ENERGY STAR **EnergizeCT.com**

energize CT CONNECTICUT **EVERSOURCE ENERGY** **UI**

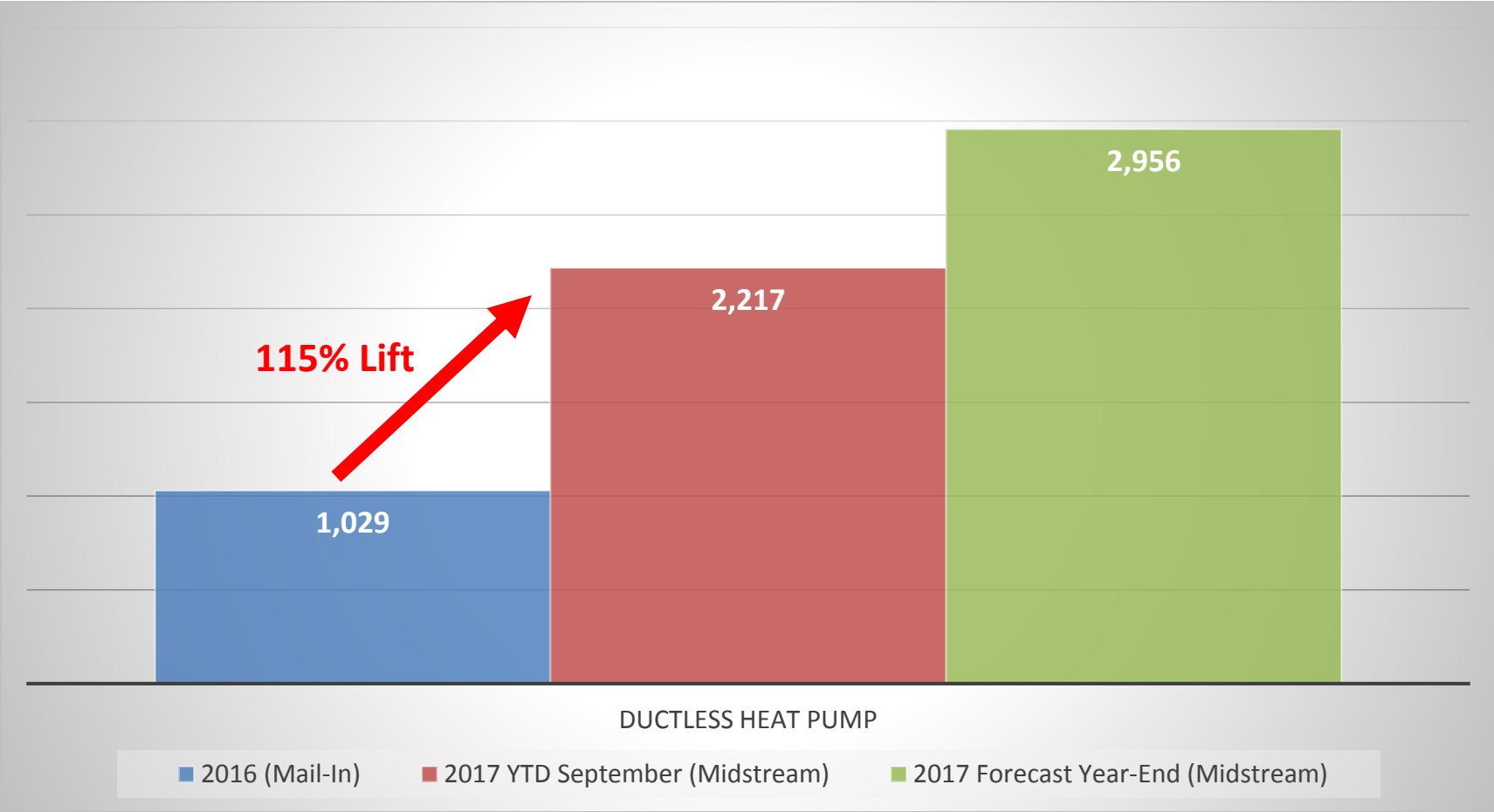
2017 Program Activity (Units)

Boilers' Efficiency 2016 vs. 2017
 2016: 55% (≥90 - <94) 45%(>94)
 2017: 20% (≥90 - <94) 80%(>94)



1 Note: Between July 2016 & August 2017 NG Boiler, Furnace, and WH rebates were shutdown in SCG territory due to over subscription.
 2 Note: 2017 YTD (Midstream) includes data through the month of September.
 Source: Eversource and UI (SCG, CNG) tracking system

Ductless Heat Pumps - New Midstream in 2017(Units)



Note: 2017 YTD (Midstream) includes data through the month of September.
Source: Eversource and UI (SCG, CNG) tracking system

Primary Program Benefits



The screenshot displays the website header for energize CONNECTICUT CT, with the tagline "Empowering you to make smart energy choices". Navigation links include "Your Home", "Your Business", "Your Town", "Events and Resources", and "Choose an Electric Supplier". A search bar is present with the text "Search Here...". The main content area features the title "High Efficiency Furnace, Natural Gas Boiler & Boiler Circulator Pump Rebates" and a breadcrumb trail: "You are here: Home > Your Home > Solutions List > High Efficiency Furnace, Natural Gas Boiler & Boiler Circulator Pump Rebates". Below this is a banner image with two circular insets: one showing a technician in a blue hard hat and yellow safety vest working on a furnace, and another showing a woman sitting on a sofa. A blue callout box on the right of the banner reads: "Warm Up to High-Efficiency Heating and Save With Instant Discounts of Up to \$800". A "Quick Links" button is located at the bottom right of the banner.

- Simplified customer experience
- Increased stocking and sale of energy efficient equipment
- EE equipment more readily available in emergency replacement situations

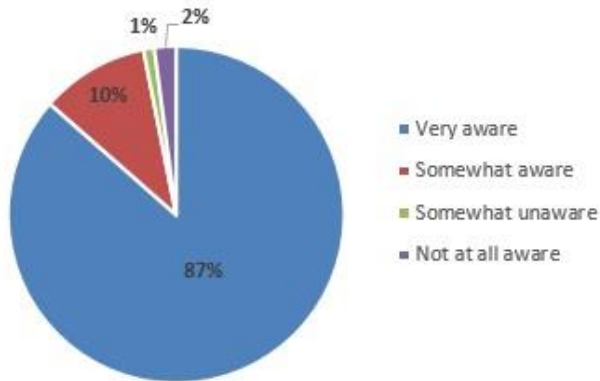
Fringe Benefits

- Strengthened relationship with HVAC community
- Reduction in rebate fulfillment costs
 - (\$1.25/per rebate upstream)
- Reduction in paperwork flow (less trees)
- Significant increase in C&I program participation and other residential programs – paved the way for upstream C&I program launch 1/1/2016

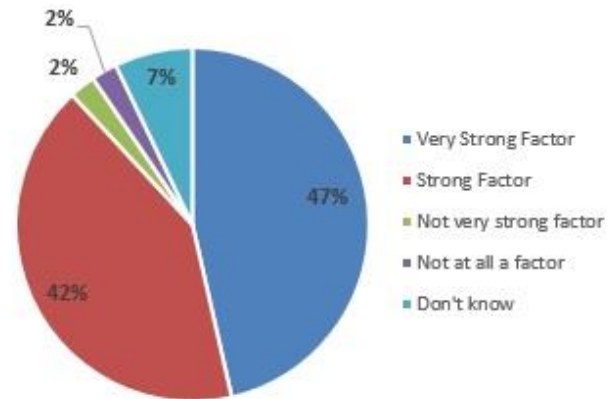
Installer Participation		
2013 (UI)	2015 (UI)	2017 (Statewide)
176	896	2,170

Market Research: Contractor Survey

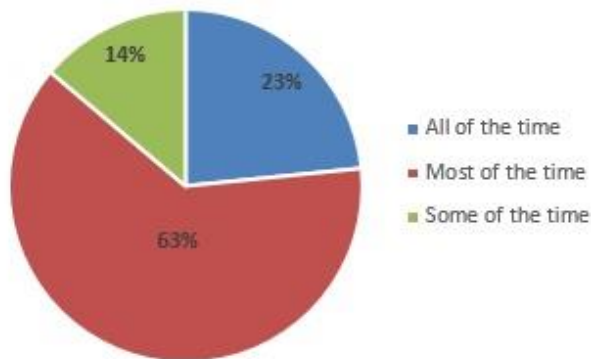
How aware are Contractors that Energize CT offers instant discounts for ENERGY STAR high efficiency equipment?



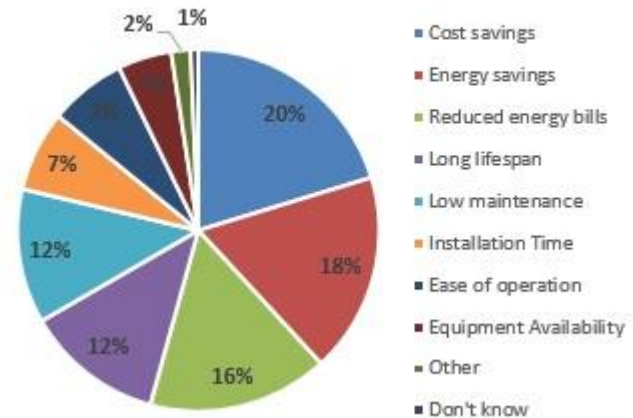
How strong of a factor is the instant discount in a customer decision to proceed with HVAC equipment upgrades?



How frequently do your customers proceed with your recommendations to install high efficiency equipment?



What are the most important factors your customers consider when looking to upgrade their heating system?



Program Challenges

- Operating company budgets
 - Cost splits for equipment in dual territory towns
 - Cost coverage in municipal towns + claim savings
- Propane equipment (natural gas availability)
- Initial participation reluctance (submission collection)
- Distributor submissions
 - Eligible customers
 - Licensed installers
 - IT
- Contractor passing along discount
- Changing customer understanding of discount
- Initial shelf stocking vs. demand

Future Considerations in Connecticut

- Enhanced Quality Assurance
- Proper Installation Testing
 - Training courses for installers
- Enhanced Marketing
- Add additional upstream measures
- Measure market transformation with sales data
- Potential addition of other products
 - smart T-Stats

Things To Consider in Your State

- Gather distributor, manufacturer and contractor network contacts – for outreach and relationship building
- Simple program design
- Accessibility of internal personnel or vendor to answer questions
- Marketing to consumers needs to continue
- Adequate budget
- Utility collaboration

Questions?

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