

THE ENERGY STAR® RETAIL PRODUCTS PLATFORM

The simple
choice for
energy
efficiency.



October 21, 2014

Executive Summary

Transform the way energy efficient products and messages are delivered through a coordinated national retail platform.

The landscape of energy efficiency programs is shifting due to the success of ENERGY STAR-focused programs, the evolution of products, dramatic changes in the way products are used and sold, and other factors. The energy efficiency community is calling for a new approach to traditional retail-based energy efficiency programs that reflects these new dynamics to effectively capture remaining energy savings and continue to advance energy efficiency.

A coordinated approach to retail can help program sponsors unlock remaining energy savings potential at a lower cost for all participants by transforming the way energy efficient products and messages are delivered to residential customers.

Transformation begins with program sponsors adopting common strategies and practices to reduce program administration costs for retailers and program sponsors, while still allowing differentiation in local markets.

EPA plans to work with a group of program sponsors to pilot this approach in selected geographic areas in 2015, followed by full national implementation in 2016 for all program sponsors.

The Influence of Retail

Retailers sit at the intersection between manufacturers and consumers of energy efficient products, influencing tens of thousands of global suppliers and interacting with millions of consumers and creating billions of impressions annually.

Today retailers are under pressure to improve brand positioning, reduce clutter, and cut costs.

Cost-cutting measures include significant reductions in the number of suppliers each retailer partners with. With this cost cutting, consolidation of numerous partnerships with program sponsors is appealing.

Dwindling per-unit energy savings render traditional consumer rebates less cost effective and less attractive to retailers as tools for influencing consumer purchasing decisions.

Retailers are becoming less interested in participating in traditional energy efficiency programs—they are not core to their business, they introduce cost and complexity, and consumer incentives offer reduced value and efficacy as a tool for driving sales.

“Electricity demand by U.S. homes is forecasted to climb by as much as 21 percent by 2040. With ENERGY STAR, you can save approximately 35% or more than \$760 on your household energy bills, while saving more than 8,000 pounds of greenhouse gas emissions.”

-- U.S. EPA, 2014

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Solution: The ENERGY STAR Retail Products Platform (RPP)

The ENERGY STAR Retail Products Platform (RPP) is a framework for motivating retailers to change their business practices with the ultimate goal of reducing the growth of electricity use attributable to plug load.

The keys to success follow:

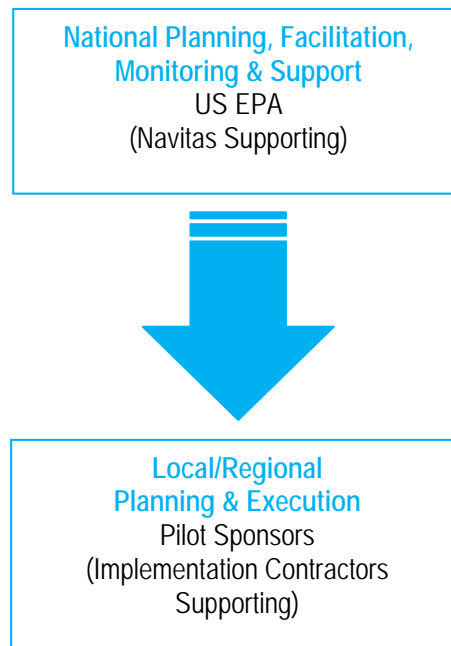
- Program sponsors agree to adopt a common set of retail based products for promotion.
- By 2016, a sufficient number of program sponsors use the RPP and achieve critical scale, serving more than 25% of the US population.
- Critical scale is achieved through consistent program design—including product categories, specifications, data requirements, and general approach (i.e. midstream incentives)—and lower per-unit incentive and administrative costs for both program sponsors and retailers.
- Retailers agree to provide unprecedented access to critical sales and market share data to program sponsors in exchange for targeted product categories and consistent and streamlined data and reporting requirements from program sponsors.
- Retailers and program sponsors work together to tailor local go-to-market strategies built on the national framework allowing for some flexibility in local markets.
- EPA, NRDC, retailers and leading regulatory experts support program sponsors in developing and promoting supportive policy and innovative EM&V approaches.

Schedule

Launch coordinated pilots in 2015 in California, the Pacific Northwest, the Northeast, and possibly in the Midwest and Mid-Atlantic; pilots pave the way for a broader national program in 2016.

Current Participants

Initial participants include NEEA, NEEP, NRDC, PG&E, SCE, SMUD, and VEIC (for Efficiency Vermont and the DC Sustainable Energy Utility).



Getting Involved

- Contact EPA to discuss program concept and potential role
- Join the current team and develop a pilot
- Help shape discussions with regulators and evaluators
- Prepare to field a pilot in early 2015
- Prepare for full program launch in 2016

Contacts

- Peter Banwell: Banwell.peter@epa.gov, 202-343-9408
- Hewan Tomlinson: Tomlinson.hewan@epa.gov, 202-343-9082