

*Residential Appliances
Exemplary Program*

***Northeast Residential ENERGY STAR[®] Appliances Initiative
Northeast Program Sponsors, Northeast Energy Efficiency Partnerships, Inc.,
and participants***

PROGRAM OVERVIEW

The Northeast Residential Appliances Initiative was established to promote the market acceptance of high-efficiency residential appliances; the initial emphasis has been on clothes washers. The objective is to transform the market by creating a sustained demand for clothes washers that use substantially less energy and water than standard models.

During 1997, several U.S. manufacturers introduced high-efficiency clothes washers, joining European companies in delivering such clothes washing technology to domestic markets. Using technical specifications developed by the Consortium for Energy Efficiency (CEE), utilities in the Northeast along with the Northeast Energy Efficiency Partnerships, Inc. (NEEP) organized the regional initiative “TumbleWash” to take advantage of a unique opportunity to accelerate the adoption of high-efficiency clothes washers. In 2000, the initiative grew to incorporate other major appliance products (refrigerators, room air conditioners, and dishwashers) and to promote the ENERGY STAR label to consumers in the Northeast.

The expanded program sought to raise customer awareness of the importance and benefits of purchasing energy-efficient appliances, while the rebate levels were being reduced or eliminated. In 2002, the sponsors worked to engage industry in joint ENERGY STAR appliance promotions. To date, the utilities have participated in a cooperative spiff program with a major manufacturer, a 10 percent coupon promotion with a major retailer, and a joint consumer rebate for ENERGY STAR clothes washers for 29 qualifying models made by six manufacturers.

Program sponsors include a consortium of electric utilities and energy efficiency municipal aggregation groups within the Northeast region. NEEP works with the program sponsors to facilitate the regional effort to increase consumer awareness about ENERGY STAR and to encourage consumers to choose ENERGY STAR-labeled products.

A defining and exemplary feature of this initiative is the large number of organizations involved. The following organizations are sponsoring and participating in the Northeast Residential ENERGY STAR Appliances Initiative.

Connecticut

- Northeast Utilities—Connecticut Light & Power
- The United Illuminating Company

Massachusetts

- Cape Light Compact
- National Grid, USA—Massachusetts Electric and Nantucket Electric
- NSTAR Electric
- Northeast Utilities—Western Massachusetts Electric Company
- Unitil/Fitchburg Electric & Gas

New Hampshire

- National Grid, USA—Granite State Electric

New York

- Long Island Power Authority

Rhode Island

- National Grid, USA—Narragansett Electric Company

Vermont

- Efficiency Vermont

The sponsors of the Northeast Residential ENERGY STAR Appliance Initiative meet regularly as the Appliance and Lighting Working Group (ALWG) to coordinate their program planning, implementation, and marketing efforts. With the appliance and lighting groups working together, it allows for further economies of scale in promoting the ENERGY STAR label across broader product categories.

The long-term goal of the ENERGY STAR Appliances Initiative is to establish the market for high-efficiency consumer appliances (clothes washers, refrigerators, room air conditioners, and dishwashers) as standard, competitive product offerings in the Northeast. The sponsors continue to work with CEE, ENERGY STAR, and others to encourage higher energy efficiency standards for qualifying ENERGY STAR-labeled appliances. NEEP continues to provide support and facilitation services in the development and implementation of this program.

LESSONS LEARNED

One of the keys to the sponsors' success in transforming the residential appliance market has been the willingness of the appliance industry (manufacturers, retailers, buyers' groups, and others) to assist in program marketing and implementation activities. One of the important goals is to strengthen working relationship with the appliance industry by inviting them to participate in industry-initiated program elements that can be implemented jointly with the regional sponsors.

The widespread participation by utilities, manufacturers, retailers, and other parties in the Northeast has allowed the overall initiative to have a large impact on the targeted markets. The collective voice and coordinated activities of the initiative's participants and sponsors have been instrumental in its success in affecting the markets.

The work on the initiative is ongoing. Program sponsors and NEEP will support and participate in DOE's and EPA's scheduled reviews to consider new federal minimum-efficiency standards and revised ENERGY STAR specifications for residential appliances, and continue to coordinate the regional appliances initiative with other regional and national efforts.

Case Study Program: Tumble Wash/ENERGY STAR Appliances

NSTAR Electric, National Grid USA, Western Massachusetts Electric Company, Unitil/Fitchburg Gas and Electric, and Cape Light Compact

The Northeast Residential ENERGY STAR Appliances Initiative encompasses numerous individual programs run by sponsoring utilities. It is not possible to profile each of these many programs for this report. Rather, we offer the following profile of one of these programs that has a long record of achievement and provides a good case study to illustrate typical features and implementation of services. We intend no slight to any of the other ENERGY STAR Appliance programs operating under the umbrella of this initiative. It is the overall initiative, comprised of individual programs such as this, that the ACEEE expert review panel judged as exemplary.

There have been many successes in the TumbleWash/ENERGY STAR Appliance program in Massachusetts. Since 1998, utilities in Massachusetts have provided rebates for more than 52,681 ENERGY STAR clothes washers, which yield an estimated annual savings of 9,061,132 kWh and 368,767,000 (gallons of water, and customer savings of \$1,087,336 (based on \$.12 per kWh). These estimates are based on taking the number of rebates and multiplying it by savings assumptions for energy and water.

Additionally, major market transformation effects have occurred as a result of this program. Some of those effects include:

- A reduction of more than \$150 in the average incremental cost of ENERGY STAR-labeled clothes washers;
- The number of manufacturers producing ENERGY STAR-labeled clothes washers tripled from 6 to 18;
- A substantial increase in the number of qualifying products from 15 to 99;
- A significant increase in consumer awareness of the ENERGY STAR label from 6 to over 41 percent;
- An increase in the coordination of regional market transformation efforts with 11 utilities in the Northeast offering similar programs, which has resulted in over 85,000 clothes washer rebates and 14 million kWh saved since 1998;
- Over 95 percent of all appliance dealers in Massachusetts participate in the programs offered by utilities in Massachusetts;
- Both federal minimum standards and ENERGY STAR specifications for residential appliances continue to become more stringent;
- The market share for ENERGY STAR-labeled clothes washers in Massachusetts is generally 7–12 percent higher than the national average;

- The market share for ENERGY STAR-labeled clothes washers in Massachusetts has grown from 5 percent in the first quarter of 1998 to over 28 percent in the third quarter of 2002;
- CEE is supporting the May 29, 2002 request by Massachusetts utilities for a simple breakdown of state-by-state and national appliance shipments above and below current ENERGY STAR efficiency levels;
- The program been successfully expanded to other states and areas such as Rhode Island and Long Island, New York;
- Over 95 percent of customers that purchased an ENERGY STAR-labeled clothes washer would recommend it to a friend or family member; and
- In 2002, Massachusetts changed its focus from ongoing mail-in rebates to targeted joint initiatives, one of which was a \$100 joint rebate promotion with select manufacturers.

PROGRAM AT A GLANCE

Program Name: Massachusetts ENERGY STAR Appliances Initiative

Targeted Customer Segment: Residential

Program Start Date: Fall 1998

Program Participants

2002 (through 10/31/02): 4,841 rebates
1998–2002 (through 10/31/02): 52,681 rebates

Approximate Eligible Population: 2,171,000

Participation Rate

2002 (through 10/31/02): 22%
1998–2002 (through 10/31/02): 2.4%

Annual Energy Savings Achieved

2002 (through 10/31/02): 832,652 kWh
1998–2002 (through 10/31/02): 9,061,132 kWh

Peak Demand (Summer) Savings Achieved (kW)

2002 (through 10/31/02): 324 kW
1998–2002 (through 10/31/02): 3,526 kW

Other Measures of Program Results to Date:

2002 third-quarter ENERGY STAR-labeled clothes washer market share for Massachusetts = 28.3%

Budget

Year	Utility Costs
2001	\$632,212 (rebates only)
2002	\$224,762 (rebates only)
2003 (projected)	NA

Funding Source: Systems Benefit Charge through utility bills

Best Person to Contact for Information about the program

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