

Transforming the Market through Upstream Programs

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9/26/2018



Influencing the few (wholesalers/manufacturers)
to help the many (customers)



- Establish goal and gather market data
- Define eligible equipment
- Establish baseline for energy savings calculation
- Define program structure (simpler is better)
- Identify potential for other program overlap
- Maximize territory of program
- Maximize distributors/manufacturer participation

➤ Goals:

- ◆ Transform the Market, Increase Stocking of HE Equip.
- ◆ Reach more Customers
- ◆ Brand Awareness

➤ Measure of Success:

- ◆ Obtained through Sales Data:
 - HARDI
 - AHRI
 - Survey manufacturers/distributors
- ◆ Update periodically
- ◆ Adjust incentives and qualifying criteria periodically

- Lighting
- HVAC (any fuel type)
- Water Heating
- ECM Circulator Pumps
- Food Service Cooking Equipment
- And More

- ENERGY STAR
- Design Lights Consortium
- AHRI
- FSTC (Fishnick)
- Self-Defined*

* Not as easily verified

The Different Shades of Upstream

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Customer Unaware

- Distributor keeps full utility incentive to influence high efficiency sales as they see fit. Incentive uses include:
 - Staff training on HE
 - Equipment price reduction
 - Stocking more HE
- Customer is unaware that an incentive is being applied to the eligible sale.
- Ideal for Market Transformation goal only.

“Split” Incentive

- End-use customer given explicit dollar amount reduction on cost of equipment.
- Distributor is paid for the incentive amount plus an equal amount to use for stocking, promoting, and training staff.
- Flexibility for distributor to use more of the incentive to buy down purchase cost if the Program decides to allow.
- Ideal for market transformation, reaching more customers, and brand awareness.

Full Customer Incentive (with optional admin fee)

- Customer receives known instant discount on eligible purchase.
- Distributor may (or may not) receive administrative fee for each quantity sold.
- Ideal or market transformation, reaching more customers, and brand awareness.

- Residential and Commercial
- Multifamily
- Downstream/Prescriptive Program Offering

- Manufacturers/Distributors often serve large territories
- Consistency between utilities and/or state(s) ideal
- Look to include municipal power towns too
 - ◆ Easy address validation needed

- End-Use Customer Facing:
 - ◆ Websites
 - ◆ Social media content
 - ◆ Thank you postcard mailers
 - ◆ Post-inspection program leave-behinds
- Contractor Facing:
 - ◆ Contractor trainings
 - ◆ Handouts at distributor counters

- Gather Market Sales Data first and throughout
- Consider adjusting incentives and qualification criteria periodically
- “Customer Unaware” Model:
 - ◆ Can’t expect customer or contractor to know they participated
 - ◆ Inform customers of inspection/evaluation visit inquiries

Upstream Commercial Programs in MA and RI

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- Lighting 2011 - present:
 - ◆ Full customer incentive
- Gas Water Heating and HVAC including ECM circulator pumps:
 - ◆ 2015 - present
 - ◆ Split incentive
 - ◆ Used to be customer unaware
- Food Service Equipment (gas and electric) 2017 - present:
 - ◆ Full customer incentive w/ admin fee

New Hampshire and New York participate in some of these programs.

Contributing Program Sponsors:



BLACKSTONE
GAS COMPANY



Columbia Gas

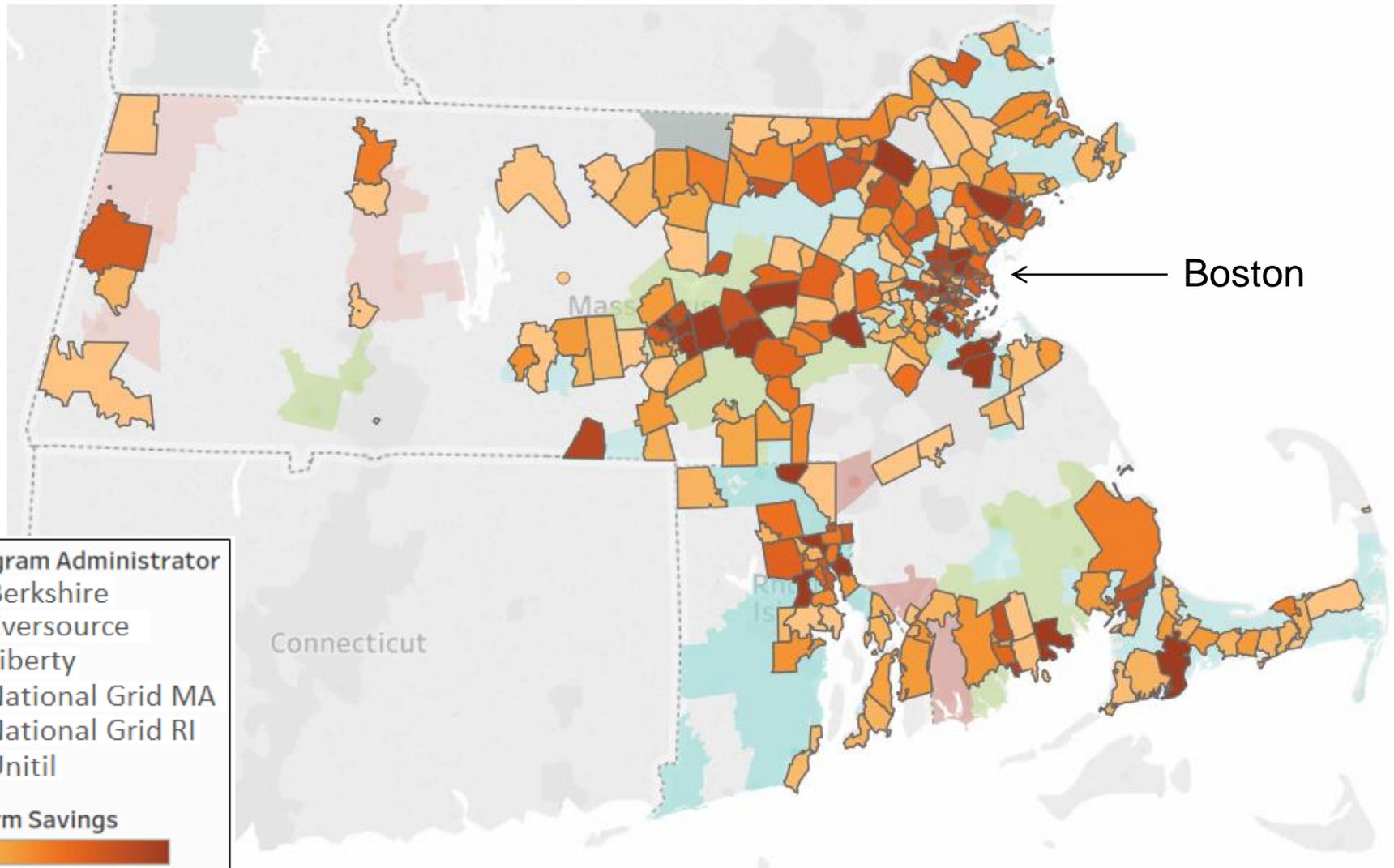
EVERSOURCE

Liberty Utilities

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Unitil

Full Customer Incentive with Admin Fee: Food Service

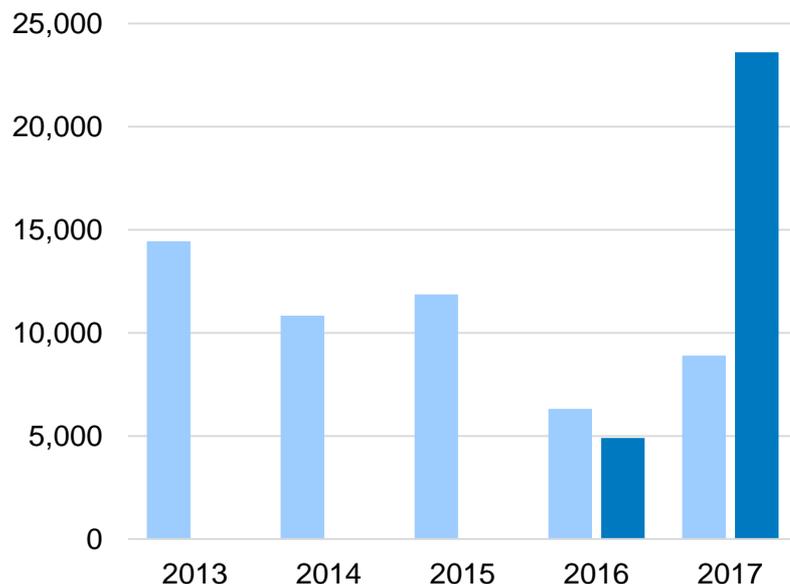


Natural gas program data through May 2018

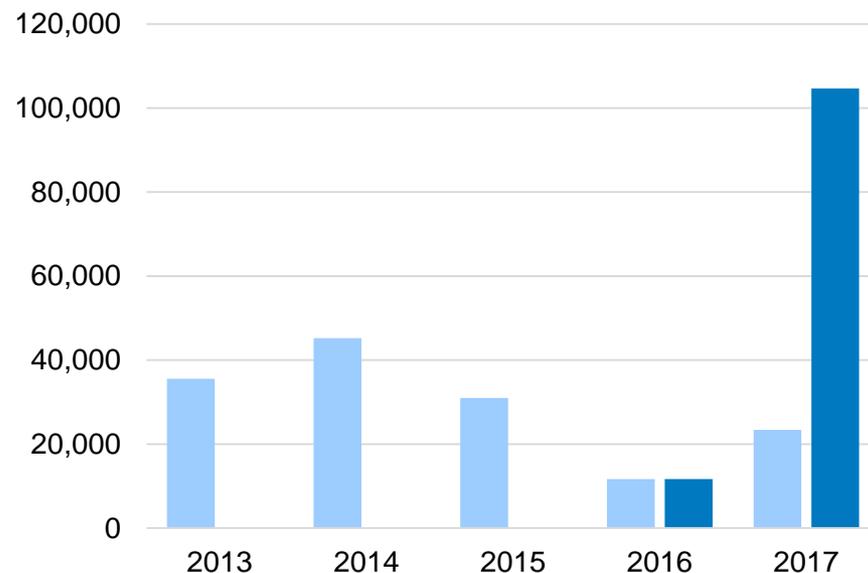
Full Customer Incentive with Admin Fee: Food Service

Prescriptive vs. Upstream

Convection Ovens



Fryers

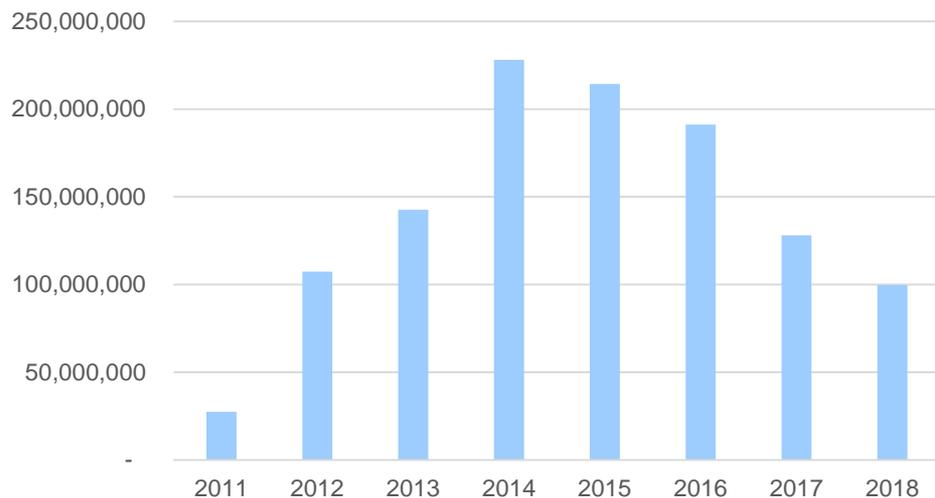


*Upstream only offered May-December in 2016.

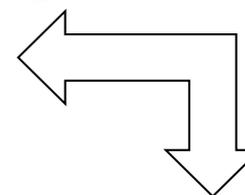
Data based on units sold in National Grid and Eversource territories as Point-of-Sale (upstream) was only offered in National Grid & Eversource service territories in 2016 and for the full year 2017.

Full Customer Incentive: Upstream Commercial Lighting

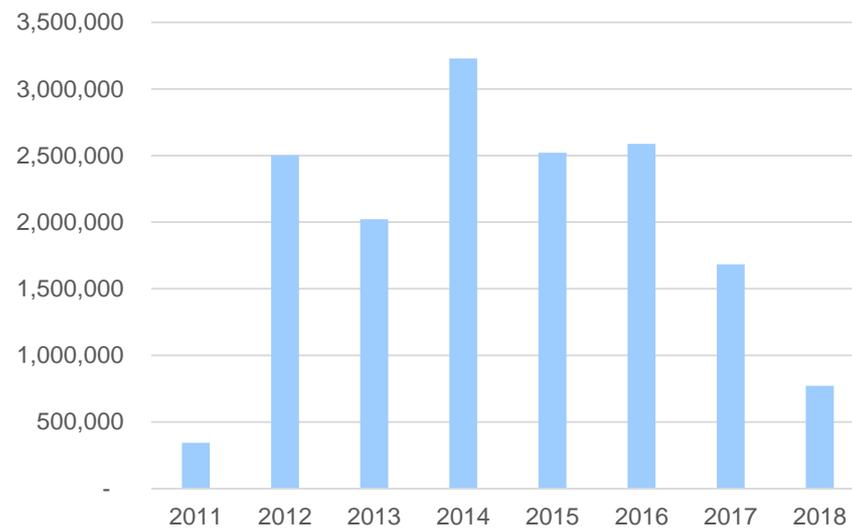
2011-2018 Total Gross Annual kWh savings MA/RI Upstream Lighting



Ramp up time needed. Add more products over time. Market is transforming for screw-in lamps.

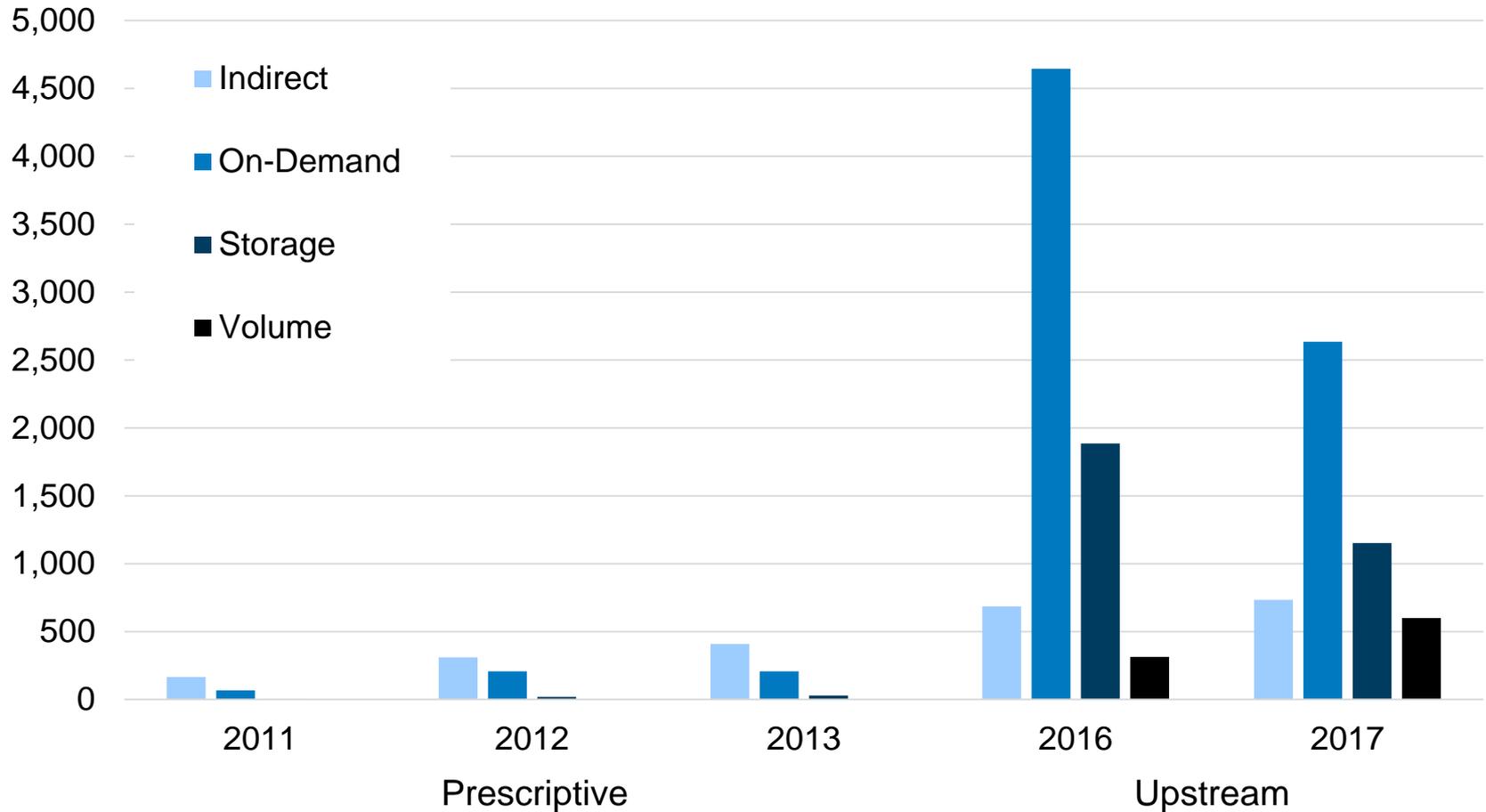


2011-2018 Unit Sales MA/RI Upstream Lighting



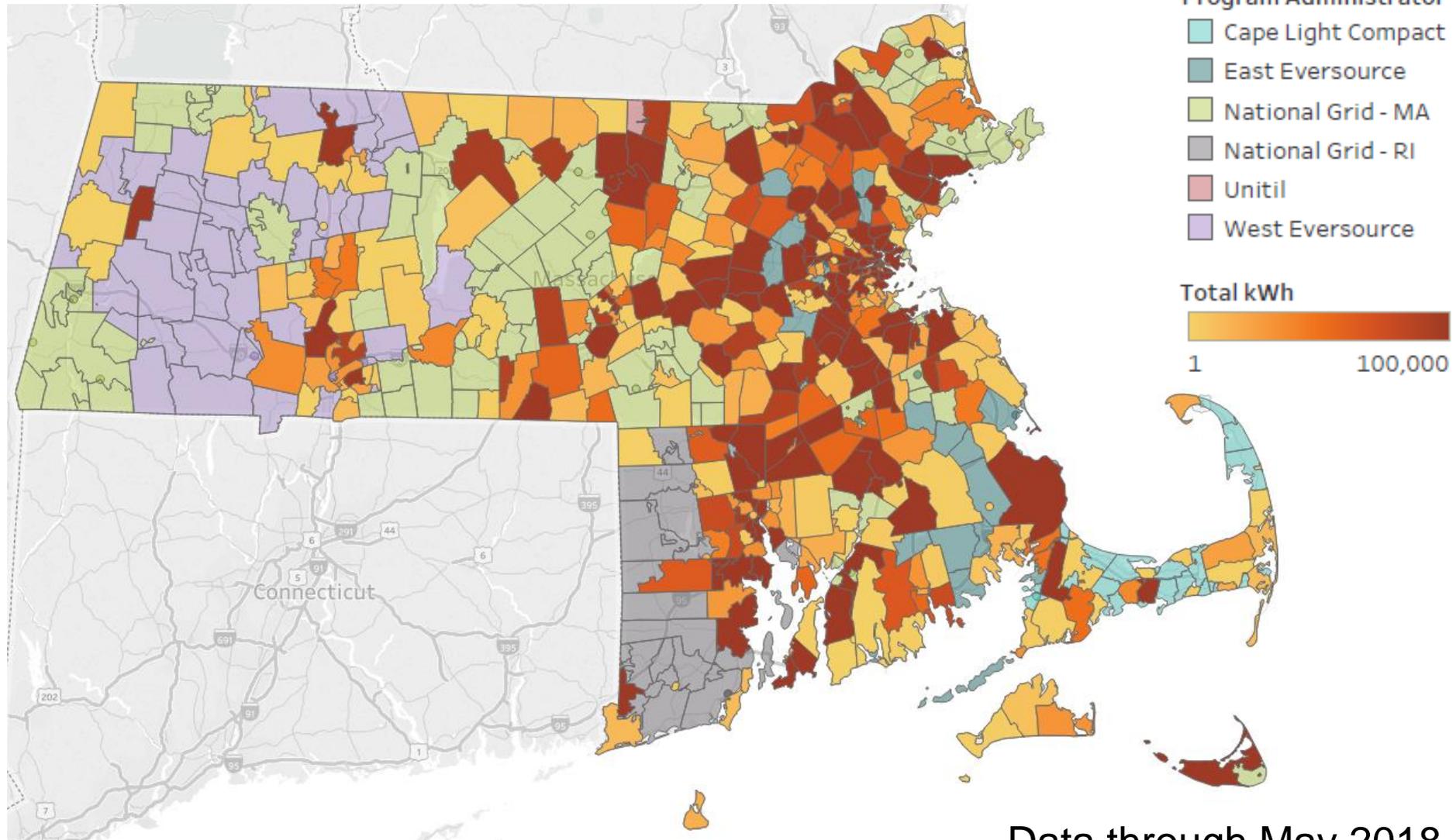
2018 data is through June

Prescriptive vs. Upstream – Number of Units Sold



Customer Unaware: C&I HVAC in MA and RI, Participation Heat Map

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Data through May 2018

- Evaluation:
 - ◆ Gather market data
- Program Design:
 - ◆ Simple
 - ◆ Offer meaningful incentives
 - ◆ Maximize participating service territory

Thank you!

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