Administrative costs and program complexity can be significant barriers for retailers to participate in energy efficiency programs. To overcome these obstacles, the alliance specifically designed the Retail Products Portfolio (RPP) program to align with retail business models by substantially reducing overhead costs and making it easy for retailers to administer.

“NEEA has developed a very straightforward program model that is convenient for both retailers and utilities to participate in,” said Arthur Christianson, Sr. Manager of Utility and Government Rebates at The Home Depot. “By using a single program framework, NEEA has eliminated the challenge of running multiple programs with different needs across our 2,000 U.S. stores.”

NEEA’s strategy to align RPP with retail business models has proven out. Since its launch in 2015, the program has gained traction with national players, including Best Buy, Lowe’s, Nationwide Marketing Group and The Home Depot. These partners represent over 300 retail store locations across the Northwest, including both big box stores and many independent retailers (through Nationwide) serving customers in smaller communities across central Oregon, central Washington, eastern Montana and southern Idaho.

**TILTING THE SCALE**

Based on previous experience in the television market, the alliance knew that scale would be necessary for RPP success – both to recruit new retail partners and ultimately to influence manufacturing decisions. To expand participation to utilities outside of the Northwest, NEEA partnered with the Environmental Protection Agency’s ENERGY STAR® Program to form the national ENERGY STAR RPP program, or ESRPP. With its national reach and reputation, ENERGY STAR is perfectly positioned to enroll utilities across the country. Moreover, ENERGY STAR is responsible for the voluntary product specifications the program hopes to influence.

ESRPP participation has grown to include utilities and energy efficiency organizations in 11 states. Collectively, this collaborative represents 15.5 percent of all U.S. households, compared to the 4.1 percent represented by Northwest utilities. This increased scale gives the region an outsized influence on the consumer products market, including decisions made at the headquarters of national retailers, and provides more opportunity to influence product test procedures, specifications and federal standards. It also helps to recruit new retailers to the program and keep existing participants engaged. Nationally, ESRPP retail participants represent 75 percent of all U.S. appliance sales up from 40 percent in 2015.
LEVERAGING DATA TO DRIVE STRATEGY

Data gathered through the RPP program, including more than 6.6 million discrete transactions between 2015 and 2019, helps the region identify and target the greatest opportunities for efficiency. Sales data also provides better insight into consumer behavior and market trends, which help to define and refine program strategy. For example, in 2019 RPP data triggered a revised program strategy for clothes washers.

“We could see through the sales data that the market for top-loading washers was large and not going away,” said Beth Littlehales, NEEA Sr. Program Manager. “Instead of continuing to try to shift consumers to front-loading machines, we’re now focusing on finding opportunities to make top-loaders more efficient. The data allows us to design program strategy with the customer’s needs in mind.”

Access to better data has led to other refinements in alliance market intervention strategies. When RPP was first launched, the program used midstream incentives exclusively to influence retailer purchasing and stocking practices. Better data has revealed opportunities for the alliance and ESRPP to work together to develop new product test procedures and influence specification advancement. Since 2015, ESRPP has influenced three new ENERGY STAR Most Efficient product categories and four new or revised product specifications.

DELIVERING VALUE TO CUSTOMERS

More and more, Northwest consumers are actively seeking energy-efficient and sustainable products. For Northwest utilities and retailers, RPP provides a framework to respond to this growing consumer demand. In 2019, The Home Depot partnered with GE to develop and debut a new ENERGY STAR-certified room air conditioning unit with specific features that qualify for RPP incentives. The new unit, which is exclusive to The Home Depot, is an example of retailers shifting their buying decisions due to the RPP program.

“For us, energy efficiency is about providing customers with the best possible products to improve their lives. Energy-efficient products help to reduce utility bills and increase home comfort, so it’s a win-win all around. We want to make sure that our customers have the opportunity to buy those items and ESRPP helps us do that.”