



BPA Simple Steps, Smart Savings 2019 Program Plan

Program Objectives

- Execute a regional promotion to increase the adoption of energy-efficient residential products through mechanisms that may include retail channel promotion, kit fulfillment, limited time offer, bulk purchase and direct installation. This year the program will strive to expand both retailer and utility participation, in the Simple Steps appliance promotion.
- Encourage residential customers to install energy-efficient LED lamps, LED light fixtures, showerheads, appliances and other consumer products that have been deemed cost effective by the Regional Technical Forum (RTF).
- Foster the development of effective marketing messages that communicate the benefits of product technologies to increase consumer awareness and the adoption of energy-efficient residential products.

Program Overview

The Simple Steps, Smart Savings program offers multiple components for utility participation. The infrastructure of each component was built to provide utilities with the ability to participate at various levels and to address unique utility needs. The program is designed to be flexible and provide utilities the opportunity to incorporate additional energy saving products to any component. Data collection, verification and reporting are submitted to individual utilities for each component. The program delivers a regional marketing campaign and provides individual utility marketing support.

The Simple Steps, Smart Savings components include:

- **Retail Channel Promotion** Increase the sale of efficient products at retail through in-store product markdowns. Participating utility partners will be highlighted as sponsors providing their customers with energy savings and opportunities to save money.
- **Kit Fulfillment** Provide utilities with the option to have promotional product and marketing materials shipped to their customers. This component can be customized to include specific marketing pieces and a mix of product.
- **Limited Time Offer** Provide utilities with an avenue to sell efficient products to their customers online. Limiting the duration of the promotion creates a sense of urgency and encourages their customers to make a purchase. This component is also very effective at reaching customers who don't have access to in-store retail channel promotions.
- **Bulk Purchase** Provide utilities with discounted pricing on approved products for direct install services, community events, giveaways, etc.
- **Direct Installation** Provide utilities with the ability to offer direct installation services to their customers.

Retail Channel Promotion Implementation

The account management team addresses program parameters with manufacturer and retailer partners through the annual Promotion Agreement ("PA") process. Products and stores are detailed in the PA, along with suggested end retail price points, sales data reporting requirements and bulk purchase limits.

Product Selection

Products are initially selected for inclusion in the promotion based on the following criteria:

- SKU is ENERGY STAR or WaterSense Qualified
- SKU has a previous retail in-store presence
- Manufacturer addresses errors and delivers on warranty guarantees
- SKU does not have a high percentage of returns at retail



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Products are added to, or removed from, the promotion throughout the year based on notifications from partners or based on changes in savings.

Field Services

The field team performs in-store visits to provide promotional and product training to sales associates and store managers, confirm promotional standards are followed, deliver marketing materials, hold events, and document field activities for utility reporting.

The field team completes regular visits to participating retail locations. The frequency of visits is based on tiering of the stores. Store tiers are calculated and adjusted no less often than quarterly. Tiers are calculated on the criteria below and visited with the accompanying frequency as follows:

- Tier 1 – Stores that account for 80%+ of cumulative annual revenue. Approximately 20% of stores fall into this tier. These locations are visited a minimum of every 6 weeks.
- Tier 2 – Stores that account for >\$500 of individual annual revenue. Approximately 30% of stores fall into this tier. These locations are visited a minimum of quarterly.
- Tier 3 – All remaining stores. These stores are visited a minimum of 2 times per year.

Tiering is completed based on risk profiles. Stores with higher sales volume present a higher risk to program revenue if the promotions are not properly implemented. Products which have the highest sales volume are marked as priority SKUs and are checked during every store visit. Additionally, the field team checks 3 random non-priority SKUs per product category (lamp, fixture and showerhead) during every store visit.

During visits field staff refresh POP and check product pricing for compliance with the PAs. Stores with identified issues are reported through a Salesforce based platform and action is taken by the account management team to resolve pricing issues.

The field manager completes QA visits at 5 locations monthly. These visits ensure that POP is in place, the stores are in good shape and the store associates understand the program. Throughout the year, each field representative's territory is inspected at least once. Stores with a score of 60% or below receive a follow-up QA visit the next month to ensure any issues that have been identified are resolved.

Events

The field team schedule and staff in-store promotional events and invite local utilities to take part in these activities. Additionally, the field team is available to support utility-driven events.

Data Collection

The incentive processing team tracks sales data and invoice submissions on a secure site. Sales data is submitted by the partner via email to a group mailbox. Monthly reminders to submit sales data are sent each month to partners. An updated list of partners and contacts is maintained by the processing team. All sales data submitted must meet the requirements outlined in the PAs. Sales data is processed using a Salesforce based platform that verifies that products and stores are active and accurate. The processing team has a monthly cutoff that falls around the 10th of each month. Any sales data received after the processing cutoff is moved to the following processing month. Sales data is accepted up to 90 days after the sales period ends. Any sales data submitted past the 90 day limit can be accepted if an exception is made by the Program Manager.



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Reporting

The program receives sales data reports from participating manufacturers and retailers. These reports are uploaded to a database and sales are allocated to utilities based upon the Retail Sales Allocation Tool (“RSAT”). Monthly sales data audits are conducted to compare invoicing reports to the schedules in the PAs. Monthly reporting is provided to BPA and the participating utilities after the processing month has ended. Each participating utility receives an invoice, detailed sales data and a monthly report. The BPA report is uploaded to the Simple Steps Document Tracker website monthly.

Marketing

Point-of-Purchase (“POP”) material is placed at retail locations next to the promotional product. These pieces are created to grab the customer’s attention and alert them to the easy savings provided by their local utility. In addition to the POP, public relations can be conducted to make utility customers aware of promotions. These include PSA’s, newspaper advertising and other approved utility media requests.

The marketing team created program websites for both partners and consumers. The partner-facing website provides utility sponsors and industry stakeholders access to program information and materials such as FAQs, product information, marketing templates, event kits and other promotion-oriented pieces. The consumer-facing website contains information on product types and applications, a store finder listing retailers with available product, a link to the Energystar.gov website and a link to the online kit portal.

Kit Fulfillment Implementation

Utilities can choose to participate in a kit fulfillment promotion. Kits may include LEDs, energy saving showerheads, TSVs, power strips, faucet aerators and marketing materials. Utilities have two fulfillment options: direct mail and online. For the direct mail option, the utility provides the program with a list of their customers and the kits are shipped directly to their homes. For the online option, the utility provides their customers with a link to purchase or receive free promotional products and the kits are shipped directly to their homes. The program partners with TechniArt to provide utilities with an online kit portal.

Data Collection

The data collected in the kit fulfillment process is included in a report identifying the products shipped to each utility customer. Additional information requested by utilities can be incorporated into the data collection protocols for the online fulfillment option.

Reporting

A report summarizing kit fulfillment activities is delivered to the utility on a monthly basis along with the promotional invoice. The report will include the products delivered, date of delivery, kWh savings and BPA measure codes.

Marketing

Optional marketing items include templates and handouts for installation instructions and energy saving tips that includes a link to the consumer-facing website.



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Limited Time Offer Implementation

The program partners with TechniArt to provide utility customers with limited time offers on energy saving products. The utility provides their customers with a link to a customized landing page where customers can take advantage of free, or very low prices on, promotional products.

Data Collection

The data collected on the TechniArt website is provided to the program. This data includes customer information (name, shipping address, email address, etc) and product quantities for each order. Additional information requested by utilities can be collected via the website and reported to the program.

Reporting

After the limited time offer ends, a report summarizing the orders is delivered to the utility along with the promotional invoice. The report will include products ordered, products delivered, date of delivery, kWh savings and BPA measure codes.

Marketing

Optional marketing items include email templates, bill stuffer templates, handouts for installation instructions and handouts for energy saving tips that includes a link to the consumer website,

Bulk Purchase Implementation

Utilities can purchase energy efficient products (LEDs, showerheads, etc.) at a reduced price by taking advantage of economies of scale and program-negotiated pricing. Additional products not included in the retail channel promotion can be obtained for utilities upon request. The program performs the ordering, invoicing, storing and handling of products for direct shipment to utilities.

Product Procurement

The program negotiates bulk product pricing with manufacturers through a competitive bid process for a variety of program components.

Reporting

The bulk purchase report includes a summary of product ordered, product shipped and kWh savings by BPA measure code. The report is provided along with the promotional invoice.

Marketing

Marketing templates and handouts are made available upon request.



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Direct Installation Implementation

The direct installation component of the program is offered for varying levels of utility participation. The options range from enhancements to a utility-run installation to full turnkey program-run installation.

Product Procurement

The program negotiates bulk product pricing with manufacturers through a competitive bid process for a variety of program components. A preferred SKU list is delivered to utilities identifying the criteria for product selected.

Installer Base

The program can utilize a variety of groups to provide the direct installation of products. These groups include market actors, utility staff and program staff.

Marketing

The program will enlist end-use consumers by developing multiple strategies driven by the team and local utility-sponsor participation.

Scheduling

Scheduling of installation visits will be performed by the call center to ensure high levels of professional engagement for utility customers.

The Home Snapshot

During the installation visit, a home snapshot can also be performed if chosen by the utility. The home snapshot will gather basic information on the home and equipment.

Installation Verification and Quality Assurance

During a promotion, the installer base undergoes continual verification to ensure quality installations are performed for utility customers.

Data Collection

The program will collect data and track installation activities on behalf of the utility.

Reporting

The scheduling reports provided to utilities will contain information on the number of installation requests received, how the request came into the program (ex: call center, online) and how the customer heard about the program (ex: program outreach, installer outreach). The invoicing reports will contain customer information, installer information, visit information, and number of units by product type (ex: LEDs, showerheads) installed in the home.