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International Comparison of Energy Efficiency Awards for Appliance Manufacturers and Retailers

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Executive Summary

The patterns of influence on consumers in making purchase decisions for energy efficient appliances are complex and involve many different parties including policy makers, retailers, and manufacturers as seen in Figure 1. In the interests of energy efficiency and climate change mitigation, policymakers are seeking ways to enhance these avenues of influence to make the purchase of an energy efficient appliance as appealing as possible. One way to accomplish this is by introducing some level of competition through an awards program to recognize manufacturers and retailers that have excelled in producing energy efficient appliances above standard requirements and in marketing those appliances to consumers through effective advertising, product offering, and sales pitch. This paper will serve two purposes: 1) to compare methodological approaches for awards programs in the U.S., Japan, and China and 2) to offer recommendations for China to expand its manufacturer awards program to also include retailers based on best practices seen in Japan and the U.S. These recommendations will include approaches and methodologies in the design and implementation of the award program framework.

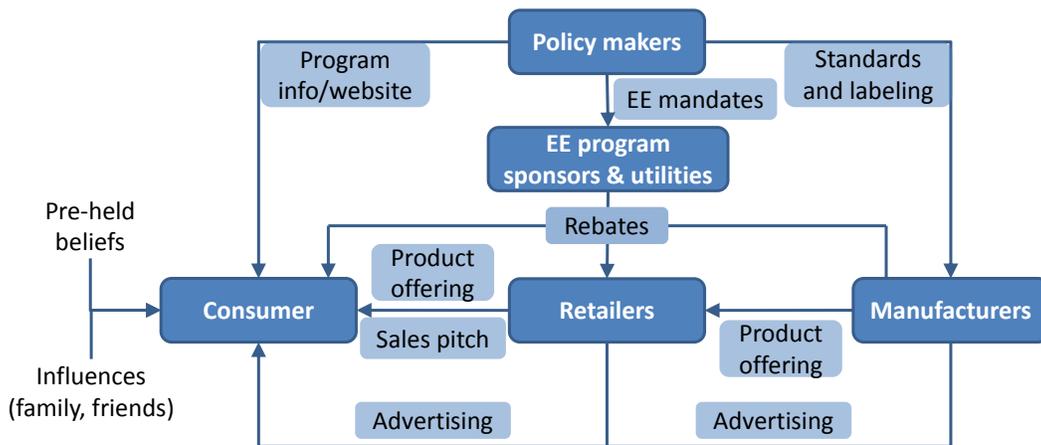


Figure 1: Patterns of influence on consumer in appliance purchases, Source: Adapted from Banks 2002

Key methodological differences exist between the three countries' programs. While China's awards for manufacturers are judged purely on quantitative metrics (the weighted efficiency of appliances they shipped to retail stores), Japan and the U.S.'s ENERGY STAR program incorporate qualitative judgments in addition to quantitative metrics. Japan's awards for manufacturers involve a paper application with multiple rounds of judging, often including site visits. The ENERGY STAR awards process involves a paper application judged once by a panel including multiple evaluators. While Japan focuses on particularly innovative and outstanding products, the U.S. judges the whole catalog of ENERGY STAR products a particular manufacturer offers.

Japan and ENERGY STAR also award retailers, since they have a considerable amount of influence over the consumer's final purchase. U.S. retailers that participate in the ENERGY STAR program consistently cite consumer demand for and trust of the ENERGY STAR label as primary motivators for participating in the awards program. The retailers would like to differentiate themselves among their competition as the

leading provider of the energy efficient products that consumers seek. While ENERGY STAR does not focus on final sales numbers for retailers (as they believe certain purchase factors are out of the retailers' hands), they judge the retailers based on their effort to sell energy efficient appliances, as measured by product offerings, employee knowledge and training, as well as marketing and consumer education. Japan's award for retailers considers these effort factors, but the judgment committee also looks at retail sales figures and whether there are energy efficiency-related sales goals for sales associates and managers.

China is researching expanding its awards and recognition program for outstanding manufacturers to also include retailers, realizing the importance of retailers in promoting energy efficient appliances. Based on the review of the programs in Japan and the U.S. (including interviews with ENERGY STAR program administrators and retailers), we offer the following recommendations to China on the formation of an awards program:

- 1. Promote label integrity.** Retailers interviewed for this report commonly noted that consumer trust of energy efficient product labels was one of the underlying factors in demand for energy efficient products. If the consumer does not trust or comprehend the information in categorical or certification labels for energy efficient products, then the consumer may be less inclined to purchase them and the retailer may therefore be less interested in actively promoting them.
- 2. Give retailers tools to assist in their marketing and education.** Programs in both the U.S. and Japan offer feedback, resources, and workshops for retailers to improve their efforts in educating the consumer and marketing energy efficiency products. Even in countries without associated retailer awards programs, such as E.U. member states and Australia, still offered such resources to retailers, acknowledging the significant role they play in consumer decisions.
- 3. Focus on the evaluation of sales effort instead of, or in addition to, sales.** There are many factors influencing a consumer's decision to purchase an energy efficient product, some of which are out of the realm of the retailer's influence. As such, the EPA's ENERGY STAR awards program judges a variety of criteria to evaluate sales effort, including the retailer's sales associate training, marketing, and consumer education programs. In addition, the EPA asks the retailers to quantify the percentage of product offering that is ENERGY STAR certified as opposed to total sales numbers.
- 4. Differentiate categories of retailers by size.** Small and medium retailers do not have the same resources to compete with large retailers, and therefore two categories could be set. Yet, an awards program for many small retailers could be administratively burdensome. The U.S. found this to be the case and therefore allowed buying groups (that represent small retailers) to apply for an award.
- 5. Allow award-winning retailers to receive special recognition.** Retailers involved in the ENERGY STAR partnership and awards program consistently cited that they sought differentiation in a highly consolidated and an increasingly competitive marketplace for energy efficient products and this differentiation was a primary motivation in applying for the awards. All ENERGY STAR award

recipients are recognized in a national press release and well-attended awards ceremony and have permission to use the awards logo in their advertisements. Providing this kind of special recognition will increase competition between retailers for the award, which will in turn lead retailers to be more innovative in advertising and consumer awareness campaigns for energy efficient products.

In summary, retailers play a role in the consumer's decision to purchase an energy efficient product, and the awards programs studied in Japan and the U.S. play a role in judging how creatively and effectively retailers can influence those decisions. As higher quality information flows to the consumer through advertising, conversations with sales associates, and education campaigns, then the proportion of energy efficient appliances will increase. Taking into account the above recommendations, China could establish its own retailer awards program which would contribute to the active promotion of energy efficient products.

执行摘要(Executive Summary)

影响消费者做出购买高能效家电产品决策的模式很复杂，涉及政策制定者、零售商和制造商等多个利益相关者（图 1）。为了实现节能减排的目标，政策制定者正在寻找能够影响消费者尽可能购买高能效家电的方法。其中一种方法是通过对制造商和零售商提供奖励项目而引入一定程度的竞争，即奖励那些能够生产出高于能效标准的家电制造商和那些通过广告、供应和推销等方式有效地销售高能效家电的零售商。该报告有两个目的: 1) 比较美国、日本和中国奖励项目的设计方法; 2) 依据美国和日本的最佳实践，建议中国将对制造商的奖励方案范围扩大至零售商。这些建议包括奖励项目框架设计和实施的途径和方法。

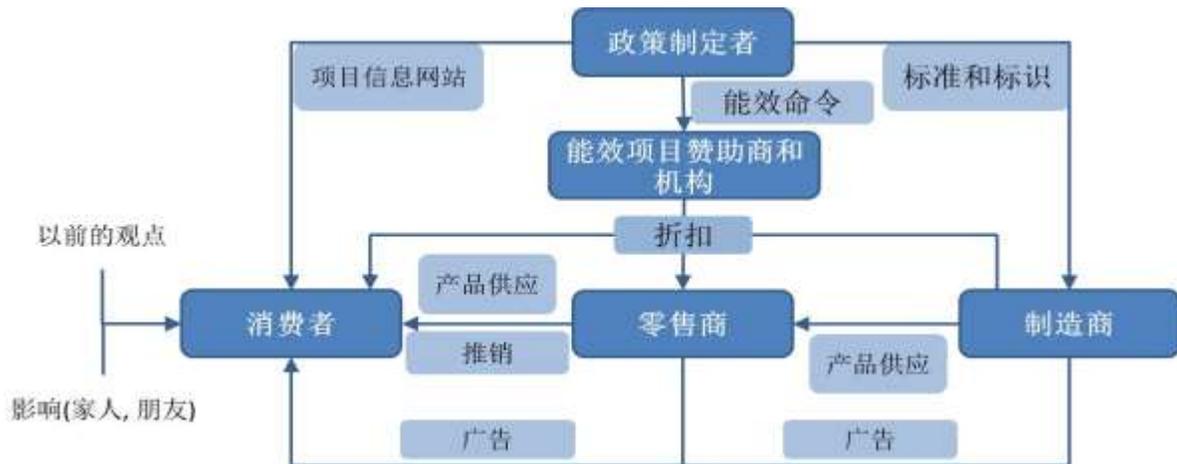


图 1 影响消费者家电购买的模式,
资料来源: 改编自 Banks 2002。

中日美三国设计奖励方案的方法存在很大差异。中国对制造商奖励的依据是定量指标（制造商送到零售店产品的加权能效），而日本和美国的能源之星项目包括定性和定量指标。日本对制造商的奖励包括对书面申请的多轮评审工作，通常还包括实地考察。美国能源之星的奖励过程是由多名评审组成的专家组对书面申请进行一次性评审。日本是针对某一种创新和卓越的产品进行评审，而美国是对某一个制造商提供的能源之星目录上所有产品进行评审。

日本和美国能源之星也奖励零售商，因为零售商对消费者的终端购买行为有着举足轻重的作用。参与能源之星项目的美国零售商一致认为消费者对能源之星标识的需求和信任是他们参与该奖励项目的主要动机。零售商希望通过为消费者提供高能效产品的方式将自己和其他竞争者区分开来。美国能源之星根据零售商销售高能效家电的工作（例如产品供应、员工知识和培训、市场营销和消费者教育）而对他们做出评价，而不是强调零售商最终销售的高效能产品数量。日本对零售商的奖励不仅要考虑其销售工作，评审委员会也要考虑销售业绩以及销售经理和人员是否有高能效产品的销售目标。

意识到零售商在推广高能效家电起到的作用，中国正在考虑将现有的对杰出制造商的表彰奖励项目扩展至零售商。根据对日本和美国项目（包括对能源之星项目管理者 and 零售商的访谈）的回顾，我们给中国即将制定的零售商奖励项目提出以下建议：

- 1. 促进标识的完整性。**本报告采访的零售商普遍认为消费者对能效标识的信任是导致高能效产品需求的潜在因素之一。如果消费者不信任或不理解高能效产品上的分类认证标识，那么消费者可能就不那么倾向于购买高能效产品，而零售商也不会积极地营销高能效产品。
- 2. 给零售商提供工具辅助他们进行市场营销和消费者教育。**美国和日本的项目都给零售商提供反馈、资源和研讨会以帮助他们更好地教育消费者和营销高能效产品。即使在没有零售商奖励项目的国家，例如欧盟成员国和澳大利亚，仍然会给零售商提供这些资源，肯定他们在消费决策中发挥的重大作用。
- 3. 强调对销售工作而不仅仅是销售业绩的评价。**影响消费者购买高能效产品决策的因素很多，其中一些超出了零售商的影响范围。美国环保署能源之星奖励项目用一系列标准来评价零售商的销售工作，包括零售商销售培训、市场营销和消费者教育项目。除此之外，美国环保署要求零售商量化能源之星认证产品的供应比例，而不是总的销售数量。
- 4. 按规模对零售商进行分类。**中小零售商无法拥有和大零售商相同的资源并与之竞争，因此这两类零售商需要区分开来。而且，对于许多小零售商而言，奖励项目可能会造成其行政管理上的负担。在美国就存在这样的情况，因此允许购买团体（代表小零售商）申请奖金。
- 5. 允许赢得奖励的零售商获得特别表彰。**能源之星的合作伙伴和奖励项目所涉及的零售商一致认为，他们试图在一个高度综合并且竞争日益激烈的市场中分化出高能效产品，这种分化是申请奖励的主要动机。所有能源之星的获奖者都会在一个国家新闻稿上表彰，出席颁奖典礼，并有权在其广告中使用奖励标志。提供这种特别表彰将增强零售商之间对奖励的竞争，从而促使零售商推出更富有创意的高能效产品广告和增强消费者意识的宣传活动。

总之，零售商能够影响消费者购买高能效产品的决策。日本和美国的奖励项目在评价零售商如何创造性地和有效地影响消费决策方面起着重要作用。随着更高质量的信息通过广告流向消费者，消费者和销售人员的交流、教育活动以及高能效家电的比例都会增加。根据以上建议，中国可以通过建立自己的零售商奖励项目促使零售商更积极地推广高能效产品。

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1. Introduction

A special feature in some mandatory and voluntary labeling programs is awards and recognitions for manufacturers who have gone above and beyond standard requirements in producing energy efficient appliances. Such programs have a long history in Japan and in the U.S. EPA’s ENERGY STAR program. However, many consumers make purchase decisions on energy efficient appliances at the point of sales, so the retailers’ qualifications are also significant. For this reason, the ENERGY STAR program also awards retailers based on their product offerings, employee knowledge and training, as well as marketing and consumer education. In this paper, the methodologies and processes for awarding manufacturers and retailers will be examined in Japan, the U.S., and China. The U.S. experience in particular will be analyzed to compare the advantages of awarding retailers in addition to manufacturers and how this helps appliance labeling programs expand. Experience from China’s “Energy Saving Product Manufacturers Leadership” will also be detailed with recommendations for how retailer award programs might be introduced to China.

2. Overview of manufacturer and retailer impact on consumer choice

There are many factors that influence a consumer’s choice when buying a new appliance. Figure 2 outlines the main direct and indirect avenues of influence. The main direct factors impacting consumers before they go to a store are pre-held beliefs, market research performed beforehand (in-store or online), close influences such as family and friends, advertising from retailers and manufacturers, and program information from the government. At the store, the consumer can also be impacted directly by information found on labels as well as any pitch or information provided by sales associates.

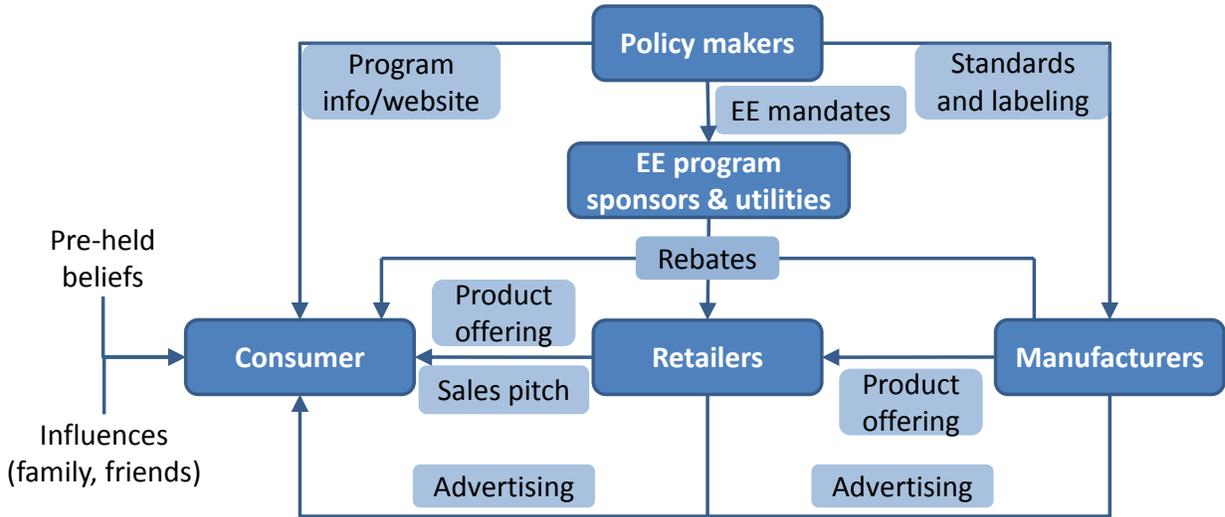


Figure 2: Patterns of influence on consumer in appliance purchases, Source: Adapted from Banks 2002

Policymakers indirectly influence the consumer’s decision by setting standards and labeling requirements for manufacturers to abide by. Manufacturers (and also energy efficiency program

sponsors) can influence the consumer's decision by offering rebates. Retailers can tailor their stocking policy and offer more energy efficient products to their customers.

Appliance efficiency awards reward manufacturers and retailers for their efforts in getting more efficient appliances into the marketplace. In Japan, the awards go to specific products that go beyond the level of mandatory standards and have increased market appeal to the consumer. In the U.S., awards are given to manufacturers for their efforts in advertising and product offering (number of ENERGY STAR appliances offered) and to retailers for their efforts in labeling, advertising, sales training, and product offering.

Qualitative analysis suggests that the awards programs recognize manufacturers and retailers that have increased their power of influence over the consumer in purchasing a more energy efficient appliance. This paper will compare award methodologies in Japan, the U.S., and China and explore how manufacturers and retailers exploit the patterns of influence shown in Figure 2. While standards and labeling programs bring generous savings to the consumer, energy efficiency awards programs can help countries, especially many developing economies like China, achieve greater levels of savings by encouraging manufacturers and retailers to produce and sell products of higher efficiency.

3. Manufacturer awards in Japan

Japan has a long history of giving awards to energy efficient enterprises, going back as early as 1948. Japan's Energy Conservation Grand Prize, is one of its award programs that started in 1990 to award exceptionally efficient end-use products in the residential, commercial, and vehicle sectors. The Grand Prize program complements Japan's Top Runner standards programs. Japan's Top Runner standards differ from the more commonly seen minimum energy performance standards in that they are based on a maximum standard value system in which future targets are set using a base value equal to the most energy-efficient product on the market at the time of the value-setting process. There is also an additional factor that takes into consideration future technology improvement potential. Japan's awards are given out to companies on the basis of accomplishment for a specific product (appliances such as refrigerators or televisions, systems such as HVAC, or vehicles). The Grand Prize program is run by the Energy Conservation Center of Japan (ECCJ), under the Japan Ministry of Economy, Trade, and Industry (METI). There is a diverse, multi-sector selection committee comprised of 28 people, of which 40% are from research institutions or universities and 60% are from industry or industry associations.

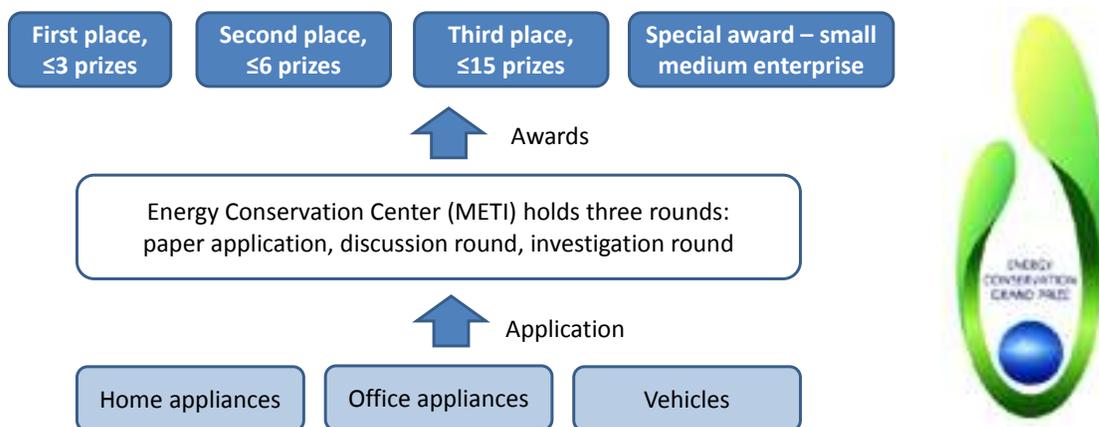


Figure 3: Japan's award process and associated logo, Source: CNIS 2009a

The award categories are displayed in Figure 3. For the grand prize category, there can be up to three prizes in any given year, but no more than one from each of the three categories (residential, commercial, and vehicle). For the second prize category, there can be up to six prizes, but no more than two from each category. In the third prize category, there can be up to 15 prizes. Finally, there can be up to one special prize every year for a small or medium enterprise that has made exceptional efforts in energy conservation. The greatest number of prizes that could be rewarded in any given year is 25, although there is no requirement to give this many prizes every year. For instance, if the committee feels that there are no exceptional commercial product applications, then there simply will not be a prize for that category that year.

The evaluation criteria for each appliance or system receiving an award are shown in Table 1. Energy efficiency has only a 1/3 weight in the overall evaluation, while consideration is also given to recyclability, technological innovation, market appeal, or environmental improvement properties.

Table 1: Japan's award evaluation criteria for Energy Conservation Grand Prize, Source: CNIS 2009a

| Criterion | Percentage of total points |
|---|----------------------------|
| Energy efficiency/usage properties | 33.3% |
| Recycling/reuse properties | 16.6% |
| Advanced/innovative technology properties | 16.6% |
| Economic/market appeal properties | 16.6% |
| Environmental improvement/safety properties | 16.6% |
| Total | 100% |

Every year, the committee will review applications in three rounds for the Energy Conservation Prizes. First, they will review the applications on paper, then review them in a committee discussion round, and finally review them through on-site investigations. The general schedule is shown in Figure 4. Once the winners are announced, ECCJ publicly commends the winners, first at a winners' ceremony in Tokyo and later at the annual environment and energy expo in Osaka. ECCJ also sends the results to industry organizations and all participating enterprises, in addition to publicizing the results in newspaper and

online publications. Winners are permitted to use the logo shown in Figure 3, but the logo does not have as high of a brand awareness as the eMark and eShop logos described in the following paragraphs.

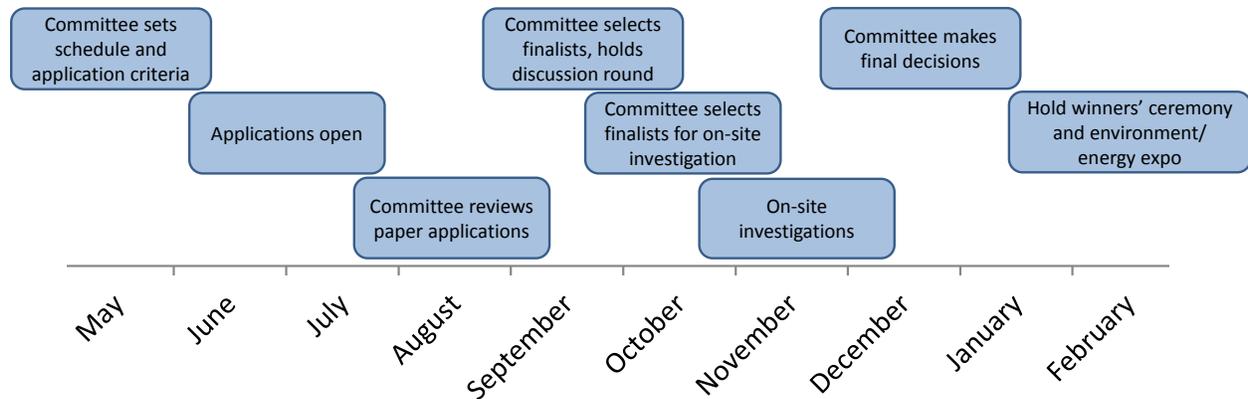


Figure 4: Japan’s award schedule for Energy Conservation Grand Prize, Source: CNIS 2009a

In a 2009 study on Japan’s awards program by the China National Institute of Standardization, the organization and management, prize design, selection process, and evaluation criteria were all highlighted as key program attributes. The prize design itself creates limits such that only truly exceptional new efficient products and systems will receive a prize, and it is not mandatory that all prize categories receive prizes every year. (CNIS 2009a).

Japan also has a program and award for retailer promotion of energy efficient appliances. In 2003, METI began the eShop Commendation System, a program to recognize retail stores that excelled in promotion of energy-efficient appliances. When the program started, METI initially targeted stores with over 1,000 square meters of sales space, since larger stores accounted for more than half of all household appliances. Stores were asked to submit a paper application, which was judged on a 100 point scale (discussed below). Stores with scores in the top 30% moved on to the second round, where they were



judged a second time with a site visit; a survey researcher checked the original submitted material and decided on a final point score. The top 25% of those in the second round received the eShop commendation, and are allowed to use the official eShop logo (at left). In 2003 and 2004, 475 stores and 452 stores applied, respectively, with 43 stores receiving eShop commendations in both years. Additionally in 2004, the 43 stores were visited a third time (unannounced) for a

final evaluation, and six were selected to receive top prizes including: the METI Minister's Prize (1 award), Environment Minister's Prize (1 award), Energy and Resource Agency Director's Prize (2 awards), and the Energy Conservation Centre Japan President's Prize (2 awards). (Murakoshi 2005)

Table 2: Japan's criteria for eShop retailer awards program, Source: Murakoshi 2005

| Evaluation category | Example of criteria | Points |
|------------------------------------|---|---------------|
| Management policies | Sales goals for energy efficient products, principles for selling energy efficient products | 10 |
| Sales staff knowledge | Training, whether staff is recommending energy efficient products to consumers | 10 |
| Display and explanation of eMark | Displays explaining eMark label, eMark logo used in ads, proper placement of eMark on products | 38 |
| Sales of high efficiency equipment | Percentage of products sold that meet Top Runner standards. More points given for products going above standard. Total points divided by total products sold, then evaluation based on range seen across applicants | 40 |
| Energy efficiency of the store | Efforts to decrease electricity consumption at store | 2 |
| Other | Store's original initiatives | N/A |
| Total points | | 100 |

The evaluation criteria for the stores can be seen in Table 2. Some management policies are evaluated, such as how employees are trained and the existence of sales goals for energy efficient products, but the bulk of the score comes from advertisement and explanation of the eMark label (products that meet the Top Runner standard receive a green eMark, while those that do not meet the standard receive an orange eMark) and actual sales of energy efficient products. The evaluation scores for all stores are publicly released to all applicants. Workshops are held on the eShop system, with an eye to introduce best practices to those stores that did not receive commendation or that are aiming to receive an award.

Figure 5 shows the evolution of the eShop applications and commendations from 2003 to 2010, with applications and commendations indicated by the bars and left axis and top prizes indicated by the green triangles and right axis. In 2005, the size threshold for large shops was lowered to 500 square meters, while small and medium shops were now allowed to apply for the commendation system. In 2008, there was a large influx of applications as METI's evaluation budget increased and the number of large retailing companies applied for commendations for many of their stores. A large company's central office often prepared the application for all of the stores. METI was trying to commend stores, however, not retail companies, and therefore found that this development was not in line with the goals of the award program. In 2009, METI limited the amount of shops that large retailers could apply for the eShop commendation, which brought down the number of applicants in 2009. The number of small and medium shops applying for the commendation has never been as high as the number of large shops, due to the smaller shops lack of capacity or budget to prepare the application (Murakoshi 2012).

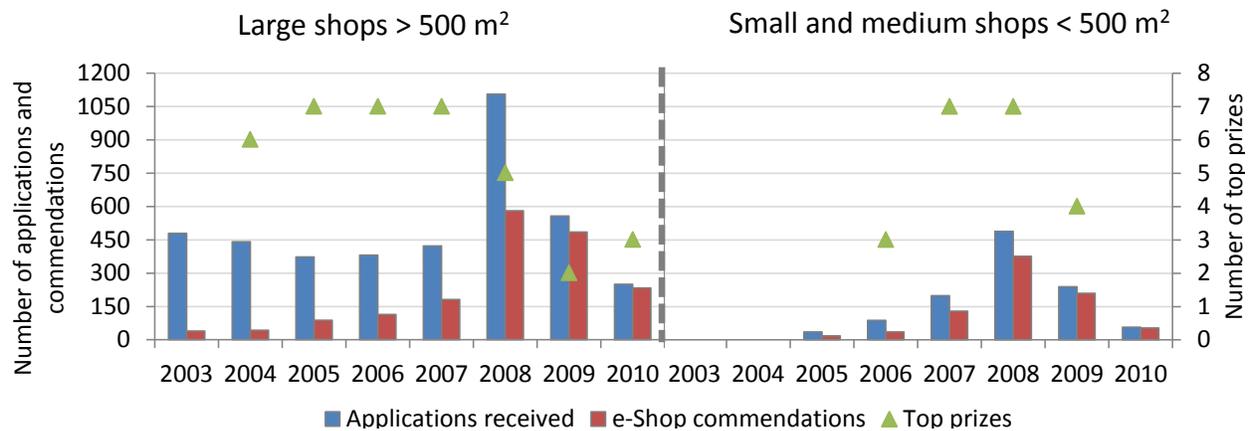


Figure 5: Number of retailer applications, eShop commendations, and top prizes in Japan, 2004 – 2010, Source: Murakoshi 2012

The number of top prizes in each category was typically 6-7 in the earlier years of the program and 2-4 in more recent years due to more competition and stricter selection for these top tier prizes. In contrast, receiving a commendation has become much less competitive in recent years. In 2003-2004, the percentage of applicants receiving commendation was around 10%, increasing to 50% by 2007 and to more than 90% in 2010. This is largely attributed to the fact that the requirements stayed static over the years, but shops increasingly implemented the required measures, such as use of the eMark label and training of sales staff (Murakoshi 2012).

Murakoshi et al. reported in 2005 that as a result of the eShop commendation system, the use of eMark labels increased rapidly, and sales staff were more frequently received instruction and selling points for energy efficient appliances. At the time, the use of eMark labels is mandatory in catalogs but not in stores. As awareness of the eMark label grew, the label was more commonly used by retailers which in turn increased awareness further. All commended eShops displayed the eShop logo in their advertising, publications, and store signage. The winners are allowed to use the logo for up to three years after their date of commendation. As for sales staff training, Murakoshi et al. described the efforts in their report as such: “For enterprises that evolved as chain stores, often the headquarters produces the manual and posters, and these efforts are reflected in their retail stores. Differences in efforts have arisen across different corporations. Although the same corporations lined up in the top rankings both the first and second year of the e-Shop program, among the lower ranked companies were some that had strengthened their efforts by steps such as making manuals. In the second year some of these were commended as e-Shops” (Murakoshi 2005).

The eShop program was discontinued in 2011 for undisclosed reasons related to issues that some of the larger retailers had with the program. Regardless, the eShop commendation and awards program did result in some level of market transformation through the increased use of eMark labels and training of retail staff in sales techniques for energy efficient appliances.

4. ENERGY STAR awards in the U.S.

To fully understand the motivations behind the ENERGY STAR awards program in the U.S., it is first necessary to give an overview of the ENERGY STAR program as a whole. The first subsection will provide that overview, with a specific focus on the program's partnership aspects. The second subsection will describe the awards program and methodologies that EPA uses. The final subsection will detail specific practices and experiences that manufacturers and retailers have had in the ENERGY STAR awards program.

4.1. Overview of ENERGY STAR program design and partnerships

ENERGY STAR started in 1992 as a voluntary program that sought to help save consumers and businesses money and reduce energy use (and related greenhouse gas emissions) through energy efficient products and practices. The EPA runs the ENERGY STAR program in energy efficient products, home improvement, commercial building improvement, industrial plant improvement, and new homes. For products and homes, the EPA has created a voluntary ENERGY STAR product label to indicate products and homes that have efficiency levels above the federally mandated minimum energy performance standards (MEPS). This is in addition to the EnergyGuide labels that are required for the bulk of home appliances by the Federal Trade Commission. For commercial and industrial efficiency, the EPA uses different approaches that focus on disseminating best practices in energy management. The program has grown tremendously since its inception, and it was estimated that in 2010 alone, ENERGY STAR saved enough energy to avoid 170 MtCO_{2e} of greenhouse gas emissions (equivalent to emissions from 33 million cars) while saving consumers \$18 billion on their utility bills (EPA 2010a).

For the purposes of this paper, we will focus on the energy efficient products (and associated label) portion of the ENERGY STAR program and the related partnerships with manufacturers and retailers. The consumer's awareness of the label has grown very steadily over the past decade, as shown in Figure 6 (aided awareness refers to when the label is shown at the time of the question prompt versus not shown for unaided awareness). The Consortium for Energy Efficiency, which conducts the annual ENERGY STAR consumer awareness survey, found in its 2011 study that 76% of consumers reported the label having an impact on their purchase decisions either "very much" (50%) or "somewhat" (26%). The study also found that of households that recognized the ENERGY STAR label and had purchased a product in a relevant product category within the past 12 months, 78% had purchased an ENERGY STAR product (EPA 2010a).

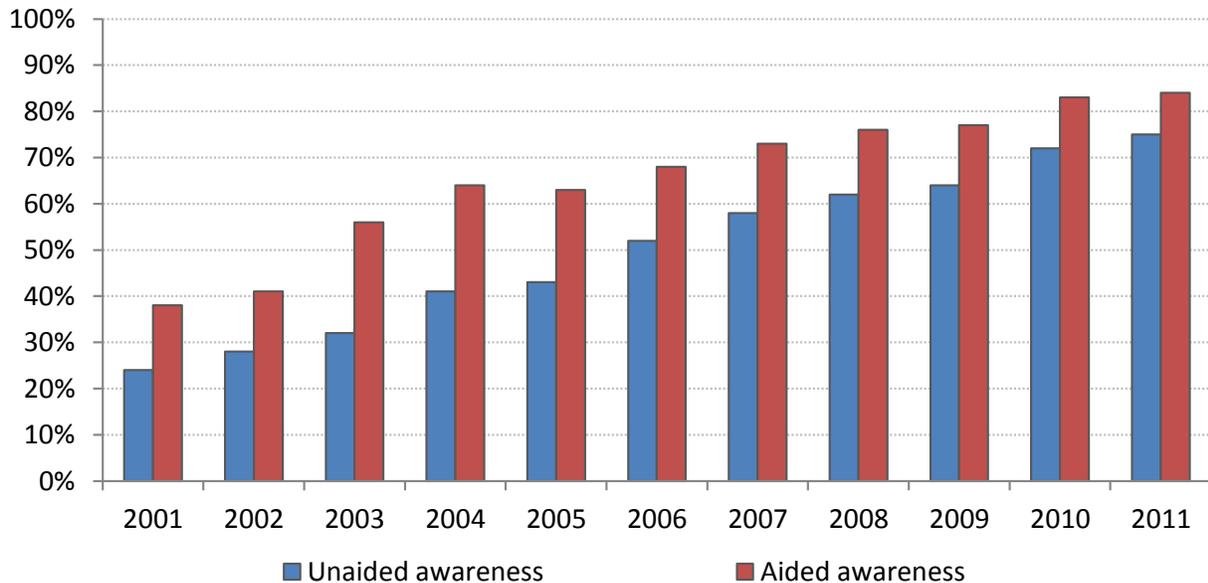


Figure 6: ENERGY STAR awareness, % of those surveyed, Source: EPA 2010a

As awareness has increased steadily over the past decade, consumers are now commonly aware of and actively seeking ENERGY STAR products. Thus, manufacturers and retailers have increased motivation to make and sell these products. Before a manufacturer can sell products with the ENERGY STAR designation, it must first apply to become an official ENERGY STAR partner and then apply to have its product added into the qualified product listing (which involves a certification process to ensure the product meets ENERGY STAR specifications). There a number of specifications that an appliance model needs to meet in order to receive the ENERGY STAR designation. In some cases, the appliance must be a certain percentage more efficient than the MEPS mandated by the US Department of Energy. This percentage varies among different appliance types. For refrigerators, the appliance needs to be 20% more efficient than MEPS, 30% more efficient in the case of clothes washers, and 10% more efficient in the case of room air conditioners.¹ There are also ENERGY STAR specifications for products that are not subject to federal MEPS (such as consumer electronics, commercial food service equipment, and office equipment), so there is no relation to federal MEPS in these cases.

Beyond saving energy, the product must deliver features and performance that are similar to a non-ENERGY STAR appliance. Also, when EPA develops the specification, it makes sure that efficiency improvements for the given product category are achievable through several technology options, at least one of which is not proprietary. There are a number of factors that can trigger a revision of specifications for ENERGY STAR appliances. Generally speaking, when ENERGY STAR appliances make up 50% or more of the market share for a given product category (based on annual sales), the specification will be revised. A change in MEPS will also usually trigger a revision (Stevens 2011).

¹ ENERGY STAR specifications also include water usage for products like clothes washers and dishwashers. For instance, clothes washers have to use 50% less water than an ordinary washer. For refrigerators, see specification version 4.1. For clothes washers, see specification version 5.1. For room air conditioners, see specification version 2.1.

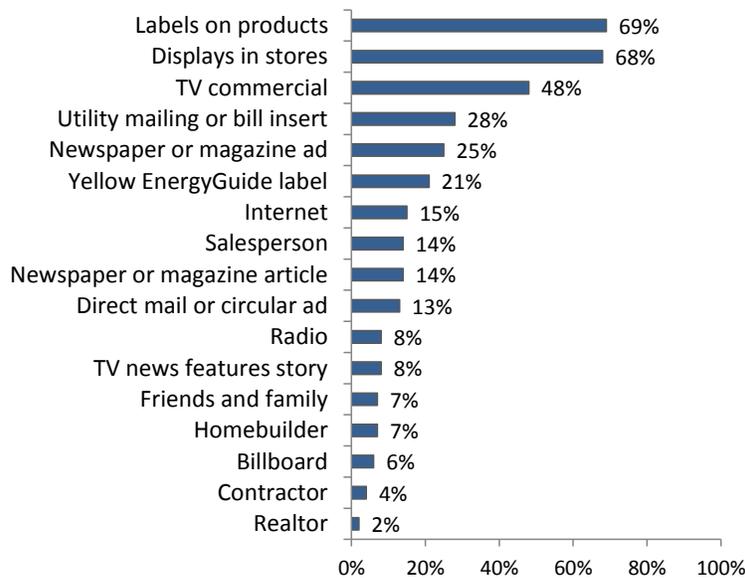


Figure 7: Percentage of surveyed who said they heard or saw something about ENERGY STAR from various sources, Source: EPA 2010.

Once a manufacturer or a retailer becomes a partner, the EPA gives them access to many resources for promotion and training. The EPA’s main goal for ENERGY STAR (part of the EPA’s Climate Protection Partnerships) is to reduce greenhouse gas emissions. It has identified two primary avenues for doing so in the realm of appliance efficiency: first to identify efficient products and increase consumer awareness of them and second to increase the market share of ENERGY STAR certified products as a percentage of total product sales. As previously discussed in Figure 2, the EPA can directly educate consumers, but the avenues of influence from retailers and manufacturers through advertising and in-store sales interactions are also very effective. Figure 7 shows the various sources from which surveyed consumers claim to have heard about the ENERGY STAR program. Product labels and in-store displays are at the top of the list, and TV commercials were also found to have created a lot of consumer impressions. For this reason, the EPA spends a lot of effort on developing new campaigns that retailers and manufacturers can be a part of (and base their advertising off of), providing training materials for sales associates, and an annual partners meeting where the EPA can disseminate the latest information on the program and partners can interact with one another (EPA 2010a). These campaigns and materials will be discussed in further detail in the next section on retailer partnerships.

Beyond working with manufacturers and retailers on ENERGY STAR products, the EPA also works with utilities and state-sponsored (or regional) energy efficiency programs, who frequently offer incentives (usually in the form of rebates) for consumers to purchase energy efficient appliances. Utilities in many regions are trying to shed peak load during the summer months in order to avoid power grid reliability issues (such as brownouts or blackouts) and to avoid having to build new power generation capacity (which can be very costly). By offering a consumer a \$100 rebate on a new ENERGY STAR air conditioner, for example, the utility will be investing in load shedding, given that the new air conditioner will use less energy than the previously installed model, a particularly important point for high temperature periods in the summer when a utility must serve larger loads. If enough consumers buy ENERGY STAR appliances

within a utility's customer base, then the energy savings could be enough to help improve reliability or avoid new generation build. Additionally, many utilities across the U.S. have been required to decouple their profits from their electricity sales in order to encourage demand side energy efficiency, so there is even more financial incentive to get ENERGY STAR appliances into the homes of their customers.

The funds for these rebates are often raised via a public benefit charge that is levied on all electricity purchases. Beginning in 2009, the American Recovery and Reinvestment Act (ARRA) provided \$300 million in funding for expanded rebate programs in all 50 states, which led to an estimated 1.7 million customer rebates, saving an estimated 1.7 trillion Btu (498 million kWh) of energy (DOE 2012). The ARRA rebate programs were noted as playing a significant role in increasing ENERGY STAR awareness, as aided awareness jumped from 77% to 83% in 2010 (see Figure 6) (EPA 2010a).

4.2. Retailer resources and partnerships

The EPA has realized the great amount of influence that retailers have in selling energy efficient products. Therefore, the EPA has placed an emphasis on giving retailers the resources they need to increase awareness and sales of ENERGY STAR products and ensuring that they are well partnered with manufacturers, utilities, and energy efficiency program sponsors. Many of the elements in these resources and partnerships are the key bases for ENERGY STAR award criteria, which will be discussed in the next section.

For training sales associates in how to speak about the ENERGY STAR program and label, EPA offers various materials, including sales training PowerPoint presentations, sell sheets, or "Energy Saving Tips at a Glance" (EPA 2010b). For instance, a sell sheet for ENERGY STAR refrigerators would emphasize the following points:

- Are 20% more energy efficient than the minimum federal standard
- Save more than \$130 over the product lifetime, compared to a standard model
- Offer energy efficiency without sacrificing performance or features:
 - High-efficiency compressors – use less energy, creating less heat when they are running, and are often quieter than regular compressors
 - Improved insulation – helps food stay cold and muffles refrigerator noise
 - More precise temperature and defrost mechanisms – help ensure food is kept at the optimum temperature
- Save energy and help prevent climate change by reducing the greenhouse gas emissions caused by burning fossil fuels at power plants

Training is getting an increasing focus among all major retailers. Sears runs a "roadshow" once a year that visits 70% of its stores, whereby a specific set of staff hold training in conjunction with manufacturers, vendors, and utility partners on new ENERGY STAR products and new rebate programs being offered. Retailers prefer to involve utilities and manufacturing partners in the training process since the programs and products are constantly changing. In addition to this roadshow, Sears does have a specific sales training (online and computer based) that new associates must complete and then pass

certification quizzes. Questions on ENERGY STAR occupy a portion of this mandatory training. Lowe's and Home Depot have similar requirements. Despite the fact that most ENERGY STAR appliances produce net savings after only a few years, retailers report that the higher initial upfront cost is still a deterrent, especially with the current economy where many consumers are facing unemployment or financial difficulties. Because of this, the customer is constantly seeking in-store mark downs or rebates (online or mail-in) offered by utilities or energy efficiency program sponsors, according to retailers (Henderson 2012, Alto 2012).



Figure 8: Typical signage at a Sears store appliance product display

Over the years, in-store displays have been using the ENERGY STAR brand with increasing prominence. EPA provides guidelines to partners on how to advertise ENERGY STAR products. Typical signage at a



Sears store is seen in Figure 8, where the logo is prominently featured and the words “energy”, “savings”, and “star” are all commonly used.

One last example of resources that the EPA is using to aid retailers (and other partners as well) is media promotion materials linked with national ENERGY STAR campaigns. In 2011, the EPA's campaign “Change the World, Start with ENERGY STAR” was a focus. Various partners could have their customers take pledges to take energy saving actions at home, whether through changing light bulbs, buying an ENERGY STAR appliance, installing a programmable thermostat, or other actions. These energy and emissions savings from these pledges are summed up, and leaderboards are created and maintained on the EPA's website to encourage competition between major businesses in promoting this program. Examples are shown in Figure 9. While many retailers will come up with their own advertising and promotional materials for ENERGY STAR products, those materials are often in addition to the promotional campaigns that EPA has created for nationwide use.

| Business | Energy Efficiency Programs |
|---|--|
| <p>COMPANY (lbs of Greenhouse Gases saved)</p> <p>Sears Holdings 1,779,016,748</p> <p>Lockheed Martin 55,051,640</p> <p>Nissan North America 47,187,070</p> <p>Boeing 45,252,904</p> <p>Saint-Gobain 22,693,441</p> | <p>COMPANY (lbs of Greenhouse Gases saved)</p> <p>Georgia Power Company 263,305,399</p> <p>Ameren Illinois 64,835,406</p> <p>AEP Ohio 21,641,301</p> <p>ComEd 21,145,461</p> <p>New Jersey's Clean Energy Program 15,578,040</p> |

All Organizations

View pledge drivers from current and past campaigns by clicking on the appropriate year.

| Change the World | | Change a Light | | |
|--|----------------------------|---|-----------|---|
| 2011-2012 | 2010-2011 | 2009-2010 | 2008-2009 | |
| <p>Location: <input type="text" value="Please select..."/></p> <p>Organization Type: <input type="text" value="Utility"/></p> <p><input type="button" value="Submit"/></p> | | <p>All ABCDEFGHIJKLMNOPQRSTUVWXYZ</p> | | |
| Organization v | Location v | Partner Type | % to goal | lbs of Greenhouse Gas Emissions v |
| AEP Hurricane CSC | West Virginia | Utility | N/A | 81,103 |
| AEP Ohio | Ohio | Utility | 0% | 49,270 |
| Ameren Illinois | Illinois | Utility | 530% | 51,680,552 |
| Amcalola EMC | Georgia | Utility | N/A | 0 |
| Arizona Public Service (APS) | Arizona | Utility | N/A | 116,043 |
| Austin Utilities | Minnesota | Utility | N/A | 9,782 |
| Baltimore Gas & Electric Company | Maryland | Utility | N/A | 900 |

Figure 9: Example of leaderboards for EPA's "Change the World, Start with ENERGY STAR" program

To promote beneficial partnerships between utilities, energy efficiency program sponsors, manufacturers, and retailers, the EPA keeps a database of all of the incentives available for ENERGY STAR products. According to the EPA, the purpose of the [Database for Incentives and Joint Marketing Exchange](#) is “to help manufacturers and retailers identify regional incentive and marketing opportunities for promoting ENERGY STAR qualified products and to enable all partners to coordinate with the appropriate contact from other partner organizations on promotional opportunities.” Additionally, utility program sponsors will often coordinate with retailers to help train sales associate or install in-store advertising on specific incentives they are offering.

4.3. ENERGY STAR Awards Overview

Every year, EPA holds an ENERGY STAR awards ceremony to honor the partner organizations (manufacturers, retailers, utilities, etc.) that have made outstanding contributions to energy efficiency improvements and promotion of ENERGY STAR products. There is an associated application process which typically starts 3-4 months ahead of the ceremony. There are three award categories:

- Partner of the Year
- Award for Excellence
- Award for Sustained Excellence

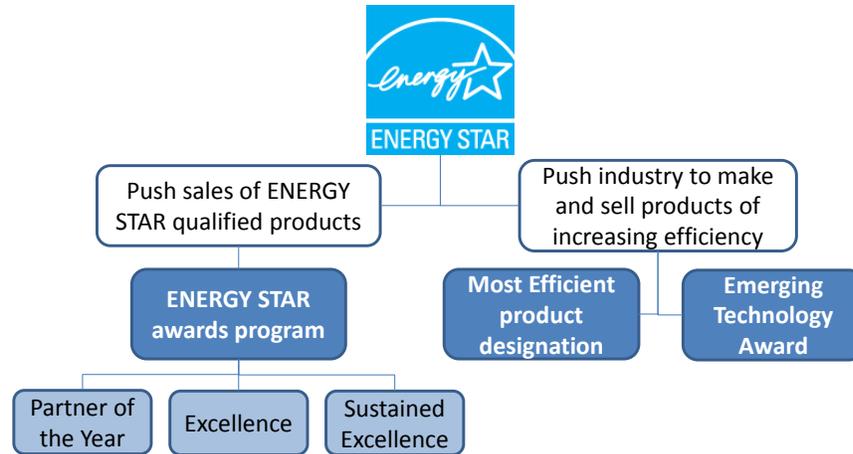


Figure 10: Roles of ENERGY STAR awards program, Most Efficient product designation, and Emerging Technology Award

Additionally, the ENERGY STAR program launched two new pilot programs in 2011: the Most Efficient product designation and the Emerging Technology Award. The following sections will discuss all of these awards and the role that they play in growing the ENERGY STAR program, which are outlined in Figure 10. In general, the awards on the left are meant to promote the ENERGY STAR program and push awareness and sales of ENERGY STAR qualified products, while the Most Efficient product designation and the Emerging Technology Award are designed to push industry to continue innovating and make and sell products of increasing efficiency. The Most Efficient product designation is technically not an award, but rather a threshold level that is more comparable in function to the standard ENERGY STAR label.

4.3.1. ENERGY STAR awards overview

The awards program started in 1993, not long after the ENERGY STAR program itself. Initially, it was just designed for manufacturers, but in 1996, the first pilot awards for utilities and retailers were given. Now, the Partner of the Year and Award for Excellence each have associated categories for which the awards are given, as seen below. The italicized programs will be discussed in this section:

- **Partner of the Year:** Energy management, new home builder, home energy rater, *product manufacturer*, program delivery (e.g. utility), *retailer*, service and product provider
- **Award for Excellence:** Affordable housing, *ENERGY STAR promotion*, lighting retailer or showroom

For each award category, applicants are asked by the EPA to submit an application of no more than five pages (ten pages for retailers) outlining the efforts they have taken in the past year in the ENERGY STAR program. In general, the EPA is looking to measure how the applicant has increased awareness of and penetration of ENERGY STAR products in the marketplace. Every application must speak to at least one, if not both, of these elements. The application forms for Partner of the Year (retailer, manufacturer) and Excellence (promotion) can be found in the Appendix or online at the [EPA website](#).

4.3.2. Partner of the Year

For product manufacturers and retailers applying for a Partner of the Year award, the application criteria can be broken up into four general categories: sales, training, marketing, and consumer education. These categories and representative measures are summarized below. In general, the requirements are similar for manufacturers and retailers, except where explicitly specified.

- Sales of ENERGY STAR products (all of these should be measured both in absolute terms as well as with a percentage increase/decrease from the previous year)
 - Number of ENERGY STAR qualified models available that year (manufacturer)
 - Number of ENERGY STAR qualified models stocked in store (retailer)
 - Percentage of sales (in dollars) that were for ENERGY STAR products (manufacturer)²
 - Percentage of products stocked that are ENERGY STAR qualified (retailer)
 - Minimum ENERGY STAR labeling requirements must be met (manufacturer)
- Training efforts for sales associates (qualitatively described and quantified by number of distributor or retailer locations trained and number of employees trained)
 - Integration of ENERGY STAR content into all existing training tactics
 - Training plan that includes goals, tactics, schedules, and evaluation
 - Details on how the retailer works with manufacturers/vendors (or vice versa) and how retailers and manufacturers work with utilities or energy efficiency program sponsors
- Marketing using ENERGY STAR branding (qualitatively described and quantified by scope, duration, number of impressions)
 - Tradeshows, participation in DOE/EPA campaigns, community outreach
 - Web-based marketing
 - Advertising via print, radio, TV, mail
- Consumer education (qualitatively described and quantified by quantity/frequency of efforts, number of impressions, and other factors)
 - Focusing on educating the consumer about the important of ENERGY STAR and energy efficiency in general, such as via the “Change the world, start with ENERGY STAR” program
 - Website and in-store materials, YouTube and other social media (EPA 2011b)

² Almost all manufacturers are required to provide sales data as part of their ENERGY STAR partnership. Retailers are not required to provide sales data but must indicate the percentage of their product offering which is ENERGY STAR qualified.

EPA does not release the system it uses to weight these different criteria, but they do emphasize completeness in the application and trying to address most, if not all, of the criteria. Each application is seen and assessed by multiple reviewers. The EPA also keeps a small measure of flexibility in evaluating different applications, such that they can continue to recognize key partners in the program (which are often very large companies) as well as outstanding newcomers (which are often smaller companies). According to interviews with EPA employees, the application process has gotten increasingly competitive over the years, as the bar is consistently raised in terms of both the percentage of ENERGY STAR products manufactured and sold as well as increasingly creative ways to promote the program (Tomlinson 2011, Tomlinson 2012, Vohr 2012). The full application guidelines can be found in the Appendix on page 34 (manufacturer) and page 41 (retailer).

4.3.3. Award for Excellence

The Award for Excellence focuses in solely on the efforts of an ENERGY STAR promotion campaign that a manufacturer or retailer implemented in the past year, as opposed to the broader application criteria for the Partner of the Year Award. The applicant is asked to describe its efforts towards achieving the following criteria:

- Increase consumer understanding of ENERGY STAR – visual recognition of blue label, what it stands for, who’s behind it, individual and collective benefits of choosing ENERGY STAR
- Increase consumer participation in EPA national campaign activities, such as “Change the World, Start with ENERGY STAR” (i.e., increase visits to the ENERGY STAR Web site, pledge driver activities, drive attendance at educational events, etc.)
- Increase sales of ENERGY STAR qualified products in a sustainable manner (e.g., any price incentives are complemented with educational materials conveying product benefits and value)
- Affect sustained behavior change around energy efficiency – move consumers from ‘knowing’ to ‘doing’
- Increase presence of ENERGY STAR in media (TV, newspapers, consumer publications, Web content, trade publications, radio, etc.)

The EPA asks the applicants to quantify the impact of promotions where possible. For instance, if the applicant has data on the number of media impressions (from various ad campaigns) or year on year percentage increase in sales of ENERGY STAR products, they should provide this data (EPA 2011b).

4.3.4. Award for Sustained Excellence

The Award for Sustained Excellence is not applied for, but rather selected by the EPA. It is specifically for partners who have received the Partner of the Year award for at least three years in a row. There must also be clear year on year improvements in the majority of criteria (EPA 2011b).

4.3.5. Recently implemented pilot award programs

As the penetration of ENERGY STAR qualified products in U.S. households increases, the specifications and standards for energy efficiency are tightened, which drives the need for increasing innovation from product manufacturers. While the Partner of the Year and Excellence awards have been successful in

promoting the ENERGY STAR program and its growing achievements, a gap of recognition remains for early innovators which is why the EPA has started two new pilot programs in the past year: the Most Efficient product designation and the Emerging Technology Award.

The relationship of these programs to the overall landscape of energy efficient technologies is shown in Figure 11. The ENERGY STAR label is meant to serve the “early majority” position in energy efficient technology. In general, the consumer in the early majority has been impacted by various advertising or consumer education on the benefits of ENERGY STAR products and thus has moved to purchase such a product. The “late majority” and “laggard” positions are for the general consumer, who may not be well-informed or may even be dismissive of energy efficient features. The federal MEPS that DOE sets capture these consumers and make sure they are purchasing a product that meets at least the minimum efficiency requirements (Banwell 2011).

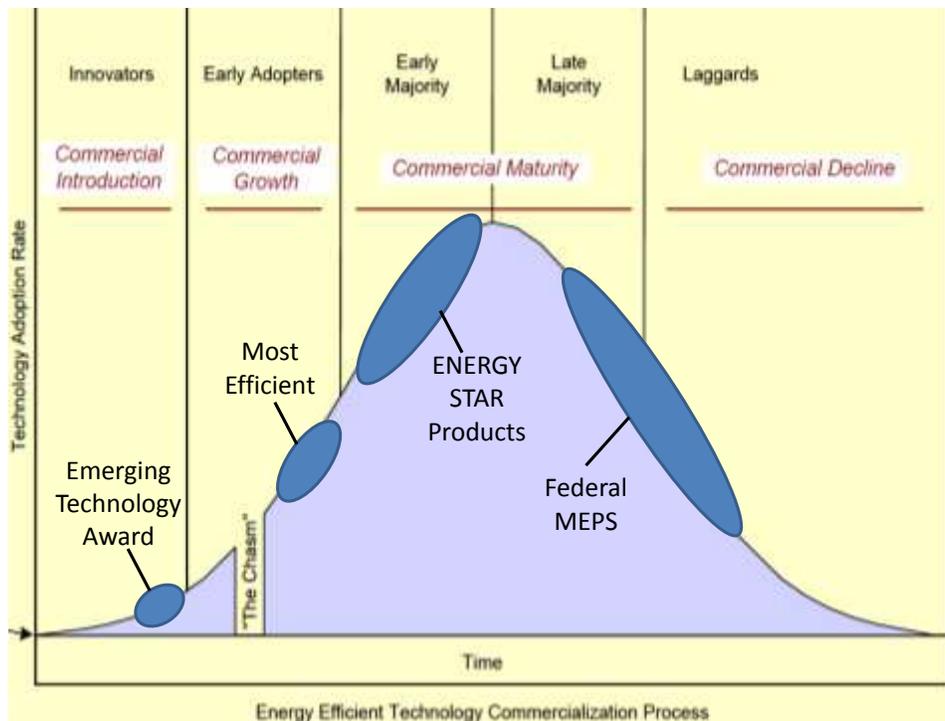


Figure 11: Diagram of ENERGY STAR designations according to technology adoption and commercialization (adapted from Southern California Edison)

4.3.6. Most Efficient product designation

The new Most Efficient product designation is for the “early adopters”. It is meant to recognize products with exceptional performance in energy efficiency, yet no compromise in performance. The product designation itself (seen at left) is not meant to be a stand-alone label, and therefore cannot be placed



directly on products displayed in store. It can, however, be placed on adjacent signage as well as in advertisements. The program was launched on May 5, 2011, and is taking annual applications for televisions, clothes washers, refrigerators, and heating and cooling. Technical specifications vary in each product category.

Refrigerators, for example, must be at least 30% more efficient than the federal MEPS standard to receive the Most Efficient product designation, as compared with at least 20% more efficient than the federal MEPS standard to receive an ENERGY STAR designation (Banwell 2011).

The EPA has helped to establish some utility partner programs (with rebates offered) to help get customers interested in these products. DTE Energy is doing a promotion with Best Buy for Most Efficient televisions, while PECO (part of Exelon) is running rebates for Most Efficient refrigerators and clothes washers. The EPA has decided to extend the Most Efficient pilot program through 2012. Specifications for televisions and refrigerators will be revised and a boiler category will be added, while all other category specifications will remain the same (Banwell 2011).

4.3.7. Emerging Technology Award

The Emerging Technology Award occupies the earliest stage of commercial introduction for energy efficient technologies. Work for this pilot award started as early as 2007, but it was not launched until 2011. The award looks to promote new products for which there are no established ENERGY STAR specifications), face significant market barriers for widespread application, are offered by more than one supplier but have limited commercial availability (<5% market share), and have a large potential for greenhouse gas emission reductions. The EPA is planning to introduce a new award category every year.

In the spring, there is a call for award category nominations. In the summer, the category is selected and then applications open in the fall, with the application deadline in late fall/early winter. Winners are announced in first quarter of the following year. Micro combined heat and power (Micro-CHP) was the award category for 2011, and two companies were given the award: ECR International for their 1 kW Freewatt model and Marathon Engine Systems for their 5kW EcoPower model. Micro-CHP is a hybrid technology that combines an internal-combustion engine generator or fuel cell with a space or water heating device. The unit produces heat and electricity at the same time, allowing a home, multi-family unit, or small commercial business to self-generate a portion of its energy needs. The products are estimated to reduce carbon dioxide emissions by 20-30% through the simultaneous generation of electricity and heat, yet this technology faces significant barriers of first cost as well as product knowledge throughout the market chain (utilities, building owners, consumers, etc.) (Duff 2011).

For 2012, the EPA has decided to extend the Micro-CHP award category as well as introduce a new category for heat pump clothes dryers, for which there are commercially viable designs (and products selling overseas, mostly in the EU market) yet a significant barrier of upfront unit cost remains. In fact,

there has been no ENERGY STAR specification for clothes dryers to date. The Super-Efficient Dryer Initiative, in association with the Collaborative Labeling and Appliance Standards Program, has engaged government, utility, manufacturer, and other stakeholders to update relevant federal test procedures and MEPS for dryers while also introducing an ENERGY STAR specification for dryers. The Emerging Technology Award and Most Efficient product designation will act as intermediate steps on the path to a more efficient fleet of clothes dryers (Granda et al 2011). The Emerging Technology Award, however, is just for clothes dryers that use heat pump technology, while the ENERGY STAR specification will be open to conventional electric dryer technologies as well.

All in all, these two new pilot programs have aided in giving the manufacturing industry an incentive of high-level recognition from the EPA for energy efficient products that are pushing the earliest stages of commercial innovation. This recognition will aid in continuing to push the efficiency of appliances forward, such that ENERGY STAR can continue to be a program that saves consumers energy and money above and beyond what is required by federal standards.

4.4. Retailer and manufacturer experiences with ENERGY STAR awards

In 2011, EPA gave out five awards for retailers, with Lowe’s receiving the Award for Sustained Excellence, Sears receiving Partner of the Year, and Menards, Metro Lighting, and Nationwide Marketing Group each receiving an Award for Excellence. For manufacturers, there were 18 total recipients, as outlined below in Table 3 (EPA 2011a).

Table 3: 2011 ENERGY STAR award winners – manufacturers, Source: EPA 2011a

| Award for Sustained Excellence | Partner of the Year | Award for Excellence |
|---------------------------------------|------------------------------|-------------------------------|
| Bosch Home Appliances | Andersen Corporation | ASUSTeK Computer |
| GE Appliances and Lighting | Continental Refrigerator | Canon U.S.A. |
| ITW Food Equipment Group | Electrolux Major Appliances | DIRECTV |
| OSRAM SYLVANIA | Manitowoc Foodservice | Lennox Industries |
| Pella Corporation | Panasonic Home & Environment | Scotsman Ice Systems |
| Whirlpool Corporation | Samsung Electronics | Sharp Electronics Corporation |

The number of awards given over the past eight years to retailers and manufacturers are shown in Figure 12. The Award for Sustained Excellence was only recently given to a retailer in 2010, after that partner had maintained a Partner of the Year award for a few consecutive years. The first four manufacturers to receive the Award for Sustained Excellence in 2006 – GE Consumer & Industrial, Gorell Enterprises, OSRAM SYLVANIA, and Whirlpool Corporation – had held the Partner of the Year award in both 2004 and 2005.

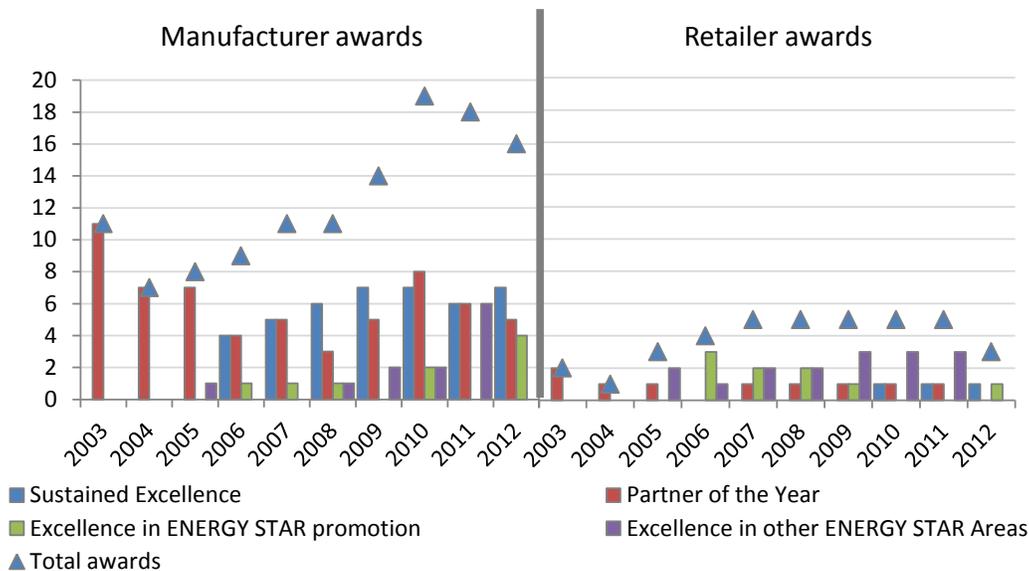


Figure 12: Number of ENERGY STAR awards per year, Source: EPA

The number of awards for retailers is typically much less than the number for manufacturers. This is in part because the retailing sector is relatively consolidated while manufacturing is more diverse. There were five retailer awards every year between 2007 and 2011 and three retailer awards in 2012. For manufacturers, there were 16 awards in 2012 and 18 awards in 2011. Profiles for all award winners are [published online](#) every year after the awards ceremony, which usually takes place in early spring. The following sections will give examples of what specific actions retailers and manufacturers took to receive Sustained Excellence or Partner of the Year awards.

4.4.1. Retailer awards and case studies - 2011

Lowe’s, The Home Depot, and Sears are the largest appliance retailers in the U.S. and maintain a very high level of involvement in the EPA ENERGY STAR awards program. Below is a table that summarizes information about the companies.

Table 4: Key information on appliance retailers

| Retailer | Annual revenue - 2010 (\$ billion) | Number of stores | Claims |
|----------------|------------------------------------|------------------|--|
| Lowe’s | 48 | 1,725 | Offers more ENERGY STAR appliances than any other retailer; first retailer to win the award for sustained excellence |
| The Home Depot | 68 | 2,248 | Over 80% of appliance sales are ENERGY STAR qualified; works with over 100 utility partners |
| Sears | 43 | >4,000 | Market share in appliance sales greater than next two competitors (Lowe’s, The Home Depot) combined |

The profile for Lowe’s 2011 Award for Sustained Excellence award hits on all of the major application criteria required by the EPA: product offering, training, marketing, and consumer education (EPA 2011a). In addition to filling out their 10-page application, Lowe’s submitted two large binders of appendix

material containing examples and details on their marketing, training, and consumer education efforts. They completed the following actions as outlined in EPA’s award profile:

- Continuing to expand its selection of ENERGY STAR qualified products—including appliances, lighting, windows and doors, and more—where the sales of these products from 2009 to 2010 saved customers more than \$1 billion in their energy bills over the products’ lifetimes. **(Product offering)**
- Integrating ENERGY STAR into its national corporate marketing strategy through the Efficient Home and “Build Your Savings” programs that have represented the retailer’s go-to-market platform for addressing the growing energy and water efficiency consumer market. **(Marketing)**
- Engaging its employees in nationwide ENERGY STAR training programs, in particular, its Life Track health and wellness program’s Life Track Goes Green campaign, resulting in more than 238,000 impressions among Lowe’s associates and their families. **(Training and consumer education)**
- Continuing to build its utility program to plan and execute rebate and education events with more than 46 utilities in 2010 **(Product offering and consumer education)**
- Securing billions of ENERGY STAR impressions in a wide variety of media including in-store marketing, advertising, public relations, and online **(Marketing and consumer education)**
- Sponsoring ENERGY STAR-themed events such as the Earth Day Build and Grow clinic and the October 31 Days, 31 Ways to Save campaign—both of which featured Change the World, Start with ENERGY STAR where Lowe’s drove enough pledges to save over 8 million pounds of greenhouse gases and more than \$670,000 in energy costs. **(Marketing and consumer education)** (EPA 2011a)

The list of actions from Sears in receiving its Partner of the Year award in 2011 also hit on the four major criteria:

- Increasing its selection of products that have earned the ENERGY STAR, such as products in its Home Theatre in a Box, DVDs, TVs, refrigerators, and dishwashers, as well as its Craftsman C3 and Kenmore lines, and “Trim a Home” seasonal decorative light strings. Sears was also able to increase sales in most ENERGY STAR categories, particularly home appliances, where more than 4 million qualified units were sold in 2010 compared to 3 million in 2009. **(Product offering)**
- Continuing its best-in-class ENERGY STAR training program, including supplementing traditional training programs with an ENERGY STAR overview program that went to over 100,000 associates. Furthermore, Sears initiated the development of a green consultation program for its Home Appliance showrooms with an aim to eventually expand to its Full Line stores. **(Training)**
- Increasing ENERGY STAR messaging and promotions to educate and encourage customers to purchase ENERGY STAR products primarily through events (nationwide trade-ins), social media channels, and clear identification on products available for rebate—including the ENERGY STAR/energy efficient interactive “Experience” pilot that showcases a variety of ENERGY STAR products available for purchase. **(Marketing and consumer education)**
- Garnering nearly 50 billion impressions for ENERGY STAR in 2010 print and broadcast impressions alone. **(Marketing)**
- Creating the ambitious Big Switch campaign that leveraged EPA’s Change the World, Start with ENERGY STAR campaign and empowered customers to make the switch to ENERGY STAR qualified products. The effort generated more than 600,000 referrals to the ENERGY STAR website in October

alone (more than Google), and drove over a billion pounds of pledged greenhouse gas reductions. **(Marketing and consumer education)** (EPA 2011a).

In 2012, Sears received a special award called the ENERGY STAR Award for Corporate Commitment. It is only the fifth time that the EPA has ever given out the award. The EPA described the award at this year's ceremony: "EPA's ENERGY STAR Corporate Commitment Award recognizes organizations whose superior achievements in energy efficiency span the breadth of the ENERGY STAR program. By fully embracing and integrating the entire ENERGY STAR platform, Sears Holdings Corporation demonstrates world class programs in energy management, energy-efficient product retailing, and consumer outreach that have helped EPA's ENERGY STAR program achieve meaningful reductions in greenhouse gas emissions." (EPA 2012)

4.4.2. Manufacturer awards and case studies - 2011

For manufacturers, product offering, training, marketing, and consumer education remain key assessment criteria. There is also an additional emphasis on number of ENERGY STAR product offerings as well as energy efficient efforts in the manufacturing facilities themselves. Bosch's profile for its 2011 Award for Sustained Excellence had a focus on its product offerings, with the following highlights:

- Being the only U.S. manufacturer with 100 percent of its major appliances ENERGY STAR qualified in 2010; this line-up includes 48 dishwashers, clothes washers, and refrigerator models. **(Product offering)**
- Lowering the average energy use of its dishwashers to only 250 kWh/year—a 9 percent improvement over 2008. **(Product offering)**
- Offering the most water-efficient dishwashers in the United States, including multiple models that use Bosch's ActiveWater™ technology to complete a cycle using as little as 1.57 gallons of water. **(Product offering)**
- Improving the energy use of all its 27" washers. With the launch of Vision™ Laundry, Bosch's most efficient 27" frontload washer model achieved an energy use of just 120 kWh/year in 2010. **(Product offering)**
- Offering the EcoAction® option on various dishwasher models and clothes washer models in 2010; EcoAction is a feature that reduces energy usage by up to an additional 25 percent for dishwashers and 20 percent for washers, per cycle. **(Product offering)**
- Reducing energy consumption in its manufacturing facilities by 14 percent since 2005. **(Manufacturing facility energy efficiency)**
- Engaging consumers since fall 2010 through Green Technology Inside, a microsite that communicates the water and efficiency features of Bosch products and links consumers directly to the ENERGY STAR Change the World Pledge. **(Marketing and consumer education)**

The profile for GE Appliances and Lighting also had a focus on product offering, with marketing and training measures also highlighted.

- Expanding the number of lighting models that have earned the ENERGY STAR by adding 57 product models in 2010 for a total of 350, a 19 percent increase over 2009. **(Product offering)**

- Introducing the first omni-directional LED lamp in an A19 standard shape; this product was the very first A19 LED lamp to earn the ENERGY STAR. **(Product offering)**
- Continuing its “Plant a Bulb” promotion which educates consumers about energy-efficient lighting; every video watched results in a flower bulb being planted, with more than 91 million impressions in 2010. **(Marketing and consumer education)**
- Introducing 131 new ENERGY STAR qualified appliances in 2010, increasing the number of base models 6 percent over last year. **(Product offering)**
- Training more than 36,000 retail customer sales associates face-to-face about ENERGY STAR and GE appliances with a focus on the ENERGY STAR message of efficiency. **(Training)**
- Promoting ENERGY STAR qualified GE appliances on national television programs such as PBS This Old House, CBS Sunday Morning, and CBS News. **(Marketing).**

4.5. Retailer and manufacturer motivations to participate in the ENERGY STAR awards program

ENERGY STAR program administrators cited the top four motivation for retailers to be involved in ENERGY STAR partner program as: 1) consumer demand and trust of ENERGY STAR brand, 2) consumer perception as “being green”, 3) discounts (became increasingly relevant during the ARRA appliance stimulus programs), and 4) sell up opportunities (Vohr 2012). Lowe’s and Sears consistently mentioned that the first point, consumer demand and trust of ENERGY STAR brand, as being the top motivation (Alto 2012, Henderson 2012). Over the years, ENERGY STAR certified appliances have occupied a growing share of these retailers’ appliance sales, and this is fundamentally linked to consumer trust of the ENERGY STAR brand and interest in saving energy and money.

Since the retail space is fairly consolidated in the U.S., however, the retailers are often looking to differentiate themselves from their competitors. One way they have done this is to apply for and win ENERGY STAR awards, particularly the Partner of the Year Award and the Award for Sustained Excellence, which is awarded when a retailer has won Partner of the Year a number of years in a row. The retailer is acknowledged in a national press release and at an awards ceremony. Over 800 people attended in each of the past three years, including attendance by EPA Administrator Lisa Jackson at the 2012 ENERGY



STAR awards. Additionally, the retailers are also permitted to use the award logo (shown on the left) in their advertisements on banners in store or also in their advertisements. Figure 13 shows a typical print advertisement (newspaper insert) featuring the ENERGY STAR award logo in the bottom right corner (Alto 2012). The retailers are also permitted to publish their own press releases on receiving the award.

The manufacturers are also motivated by this level of recognition to participate in the awards program. They too are looking for ways to differentiate themselves from the competition. Most manufacturers now offer ENERGY STAR products, so simply offering those products is not a source of differentiation.

5. Manufacturer awards program in China

In 2007, China decided to implement an awards program to assist in promoting energy efficient appliances and to award the manufacturers associated with those products. The program was called the National Lead List of Excellent Enterprises and Energy-saving Products (中国节能产品优秀企业榜, here, referred to as “National Lead List”). When the program launched in 2008-2009, it was devised of two categories, three lists, and four products as shown in Figure 14. First, the program would be divided up into awards for companies and awards for products. The three award lists that China decided to create were: 1) energy efficient company lead list (节能企业榜), 2) highly efficient product ranking (高效产品排名榜), and 3) total energy saved product rank (节能产品排名榜). Finally, the awards would be given across all three lists for four products: room air conditioners, refrigerators, clothes washers, and gas-fired water heaters (CNIS 2009b).

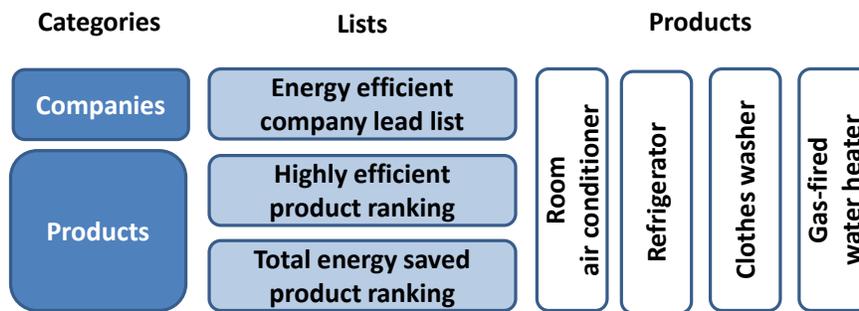


Figure 14: Design of China's awards program

The National Lead List awards program gives awards out based on rank. Distinct measurements for each award list and each given product type are outlined by the China National Institute of Standardization (CNIS) and the China Energy Label Center (CELC). For example, room air conditioners are ranked according to a specific measurement of efficiency or energy saved:

- **Energy efficient company lead list:** average energy efficiency ratio of all products sold, and total energy saved from all products sold
- **Highly efficient product ranking:** energy efficiency level of individual products³
- **Total energy saved product ranking:** energy efficiency ratio (of a particular product) X total sales amount X annual hours of use

The data for determining these rankings came from the CELC’s database, market research companies, as well as self-reported data from the companies applying for the awards. For the first trial run of China’s National Lead List awards program in 2009, 222 awards were given in total, as outlined in Table 5. Sixty companies made the energy efficient company lead list, while 162 products were given an award either in the highly efficient product rank or total energy saved product rank.

³ The efficiency level is measured differently based on the product. For air conditioners, the measure is cooling capacity divided by the energy efficiency ratio (or coefficient of performance). For refrigerators, the measure is energy efficiency index. For clothes washers and hot water heaters, it is unit energy consumption.

Table 5: Number of awardees for China's National Lead List in 2009 and 2010, Source: CNIS 2009b, CNIS 2010

| Award and product category | 2009 | 2010 |
|---|-------------|-------------|
| Energy efficient company lead list | 60 | 29 |
| Room air conditioner | 10 | 6 |
| Refrigerator and freezer | 23 | 6 |
| Clothes washer | 17 | 3 |
| Gas-fired water heater | 10 | 3 |
| Electric water heater | -- | 3 |
| Computer monitor | -- | 3 |
| Self-ballasted compact fluorescent light bulb | -- | 3 |
| Induction stove | -- | 2 |
| Highly efficient product rank | 162 | 211 |
| Room air conditioner | 40 | 83 |
| Refrigerator and freezer | 70 | 24 |
| Clothes washer | 40 | 11 |
| Gas-fired water heater | 12 | 21 |
| Electric water heater | -- | 41 |
| Computer monitor | -- | 10 |
| Self-ballasted compact fluorescent light bulb | -- | 13 |
| Induction stove | -- | 8 |
| Total energy saved product rank | -- | 66 |
| Room air conditioner | -- | 66 |

In 2010, the total energy saved product rank was made a unique award classification for 66 products within the room air conditioner product category. The product categories expanded in 2010 to include electric water heaters, computer monitors, self-ballasted compact fluorescent light bulbs, and induction stoves, and so the total number of highly efficient product awards increased to 211, although some product categories saw a decrease in awards. The competitiveness of the company lead list increased significantly as the number of awards fell from 60 to 29, even as more product categories were added (CNIS 2009b, CNIS 2010).

Following the finalization of the National Lead List, CNIS holds an awards ceremony and puts out an official press release to publicize the winners. At the most recent awards ceremony in 2010, representatives from CNIS, China Household Electrical Appliances Association, China Consumers Association, China Refrigeration and Air-Conditioning Industry Association, China National Hardware Association, the Collaborative Labeling and Appliance Standards Program, Energy Foundation, Haier, Midea, A.O. Smith, Gree Electric Appliances, and almost 50 other manufacturers were in attendance (CNIS 2010).

6. Retailer promotion programs in the EU and Australia

While the EU and Australia do not run any awards program for manufacturers or retailers, they do run retail promotion programs which bear some similarities to the ENERGY STAR partnership and awards programs and Japan's awards program. As such, the EU and Australia both recognize the roles and importance of retailers in influencing consumers to purchase more energy efficient appliances. Specifically, these retail promotion programs both include the provision of sales associate training and consumer education resources.

The EU is currently running a program called ComeOn Labels (Common Appliance Policy – All for One, One for All). The project (which is running from December 2010 to May 2013) is focusing on best practice for appliance labeling throughout the EU, with three different goals:

- proper information on labels
- proper display of the energy labels on energy using products in shops (including retailer compliance verification), catalogs, and electronic means
- promotion activities aimed at the final customers (information and education materials and awareness campaigns)

Through the program's national partners (such as national energy agencies), the ComeOn Labels program is performing spot assessments of retail stores to ensure that labels are in place as required. The program has provided a guide on how to run these checks, and reports from the national partners back to the program are due back starting this year. In addition, the program will publish a best practices guide for training retailer sales associates in July 2012. Best practice case studies for promotional and educational activities are regularly published on the ComeOn Labels website (SEVEN 2012).

In addition to the ComeOn Labels program, there is also a voluntary Retail Forum. Their website contains the following description: "Membership in the Retail Forum is voluntary and open to all retailers who join the Retailers' Environmental Action Plan (REAP). Exemplary environmental initiatives of REAP Members are reported in the Matrix of environmental Action Points (MAP) and shall demonstrate the progress made in the environmental sector over time. This progress is to be monitored externally in order to ensure transparency and add more weight to the Forum, and to complement in a more cross sectional manner the retailers' individual and collective reports." Each retailer's MAP summarizes their actions into three categories: what they sell, how they sell, and how they communicate. What they sell looks at product offering, how they sell looks at limiting environmental impacts from the retailers' own activities and supply chains, and how they communicate looks at consumer education and advertising. By October 2011, the REAP database reportedly contained 390 environmental commitments from major European retail companies and associations. These commitments extend well beyond the realm of appliances (food, furniture, clothing, etc.) and include a broad range of activities. An example of an appliance specific commitment would be a "20% increase in sales of A++ labeled white goods within two years" as identified by the retailer Colruyt (EU 2012).

Australia, like the EU, does not run an awards program for manufacturers or retailers. A number of the provincial governments run retailer support programs, however. The Queensland government, for instance, runs the ClimateSmart Retail program, which provides retailers with training for employees on how to sell energy efficient products as well as other resources on advertising and communicating the benefits of these products to the consumer (Queensland Government 2012).

7. International comparison of awards programs

The award programs discussed in this paper have important differences, but they have a common thread. Each awards program is trying to fundamentally impact at least one of the avenues for consumer influence in appliance purchases discussed in the first section in Figure 2, whether that be by pushing manufacturers to make more innovative energy efficient appliances (and thus influencing products available to the consumer) or by awarding retailers based on their marketing choices, consumer education, sales associate training, and product offering. The retailer awards programs in Japan and ENERGY STAR have played a role in increasing consumer awareness on energy efficient products and labeling systems in particular (eMark in Japan and ENERGY STAR in the U.S.) and in turn influencing sales of energy efficient products. Empirically, it is not possible to definitively determine the exact amount of impact each awards program has had on awareness and sales without a detailed statistical study beyond the scope of this report. Yet, interviews with manufacturers, retailers, and program administrators have all corroborated the fact that the awards programs did play a role in increasing the awareness and sales of energy efficient products. The remainder of this section compares how the awards programs in Japan, the U.S., and China are administered and how retailers and manufacturers are judged.

For instance, the awards for manufacturers in Japan, the U.S., and China are all based (at least in part) on the manufacturers' product offering. While Japan focuses on particularly innovative and outstanding products, the U.S. judges the whole catalog of ENERGY STAR products a particular manufacturer offers. China has an award for the most efficient products offered as well as an award for weighted efficiency of all products a manufacturer sold in a particular year. If a Chinese manufacturer has high sales of relatively high efficiency products, then they are clearly having a large influence on the consumer.

The retailer awards programs in both Japan and the U.S. are judging the principal avenues for consumer influence: proper use of labeling, training of sales associates, and advertising (in-store, TV/radio, print, and online). Another common characteristic of the retailer awards programs is that the applicants are given resources by the program administrators. ENERGY STAR provides marketing, education, and training resources to all of its retailer partners through online means and their annual partners' workshop. In Japan, feedback is given to retailers on their applications, and an annual workshop is held to discuss avenues to improve their score. Indeed, the program administrators (EPA, METI) understand that many consumers are convinced to purchase energy efficient products at the retailer level, thus it is worth expending some program resources to ensure that the retailers excel in their product offering and messaging.

Table 6: Comparison of Japan, U.S., and China awards programs for manufacturers and retailers

| Country | Amount of awards per year | Requirement of sales data? | Other quantitative metrics | How the application is judged |
|--------------------|--------------------------------------|----------------------------|--|--|
| Japan | Manufacturer: ≤ 15 Retailer: ≤6 | Yes, for retailers | Manufacturers: five different criteria including technical, environmental, etc; retailers: training, sales goals | Multiple rounds and on-site investigations used; applications scored with weighting publicly released |
| U.S. – ENERGY STAR | Manufacturer: ~20 Retailer: ~5 | Yes, for manufacturers | Advertising and marketing impressions, training efforts, product offering | Multiple reviewers used, looking at both quantitative and qualitative metrics; weighting of metrics is not publicly released |
| China | Manufacturer: >200 Retailer: none | Yes, for manufacturers | Weighted/individual energy efficiency of products sold | Review and rank strictly based on quantitative metrics |

Table 6 compares the basic attributes of the different awards programs for manufacturers and retailers. Japan and the ENERGY STAR program give out similar amounts of awards to manufacturers and retailers, while China’s National Lead List more resembles a product ranking and therefore the number of awards is much greater. In terms of quantitative versus qualitative application judgment, China is on the purely quantitative side, looking at the data for weighted efficiency or individual efficiency of products sold. Japan has a mixture of qualitative and quantitative judgment for both manufacturers and retailers. The application criteria and grading scales are rigorous, but multiple rounds of evaluation and on-site investigations are used to help the judges narrow down the pool of applicants.

While the EPA requires applicants to quantify metrics where possible, they place emphasis on the overall quality of the application, including the quality of marketing and education campaigns the retailers ran that year. The EPA believes that the retailer is not ultimately responsible for which product a consumer buys (ENERGY STAR or not), so they do not use sales data at the retailer level as an application criterion. Rather, they measure the amount of effort that retailers are expending in *trying* to convince the consumer to purchase ENERGY STAR. This is markedly different from Japan, where the judgment committee looks at effort as well as the retail sales figures and whether there are energy efficiency-related sales goals for sales associates. It should also be noted that the EPA does not publicly release its weighting system for retailer or manufacturer awards as Japan does with the weighting systems it uses for its initial round of judgment (later rounds involve qualitative judgment not based on publicly released metrics). Lastly, since all retailers and manufacturers must first be ENERGY STAR partners before they can apply for the awards, the programmatic elements of ENERGY STAR partnerships, such as training and marketing resources, also have an influence on the retailers’ and manufacturers’ practices in the energy efficient product space.

8. Recommendations for China to adopt a retailer awards program

China has recognized its top manufacturers of energy efficient appliances with the National Lead Lists for a number of years now. China is now exploring options for retailer awards, realizing the importance of retailers in promoting energy efficient appliances. Having reviewed the international experiences in

retailer awards in Japan and the U.S.'s ENERGY STAR program, we offer the following program recommendations. The recommendations have largely been formulated around interviews with U.S. retailers and program administrators who emphasized certain points as being critical elements of the award program's success. The experience in Japan corroborates many of the recommendations as well.

1. Promote label integrity.

Underlying consumer trust in the label's integrity is an important driver of retailers' interest in selling energy efficient products. Consumer awareness of the ENERGY STAR label has grown to over 80% in recent years, but this has been the result of nearly two decades of effort by the EPA. Now, the consumer actively seeks products with this label and thus retailers are interested in offering a wide selection of these products. The EPA introduced certification and verification testing for ENERGY STAR products in 2010 to ensure continuing consumer trust in the label. If the consumer does not trust the information in categorical or certification labels, then the consumer may be less inclined to purchase them, and the retailer may therefore be less interested in actively promoting them.

2. Give retailers tools to assist in their marketing and education.

Programs in both the U.S. and Japan offer some feedback or resources to retailers to improve their efforts in educating the consumer and marketing energy efficiency products. An annual workshop held by the program administrator is a good avenue for retailers to learn about best practices in marketing and education. The ENERGY STAR program also offers streamlined resources for national ENERGY STAR marketing campaigns, a database of rebates offered on ENERGY STAR products, and online training materials for sales associates. Even countries that do not have awards programs, such as E.U. member states and Australia, still offer resources to aid retailers in marketing energy efficient products to the consumer.

3. Focus on the evaluation of sales effort instead of, or in addition to, sales.

There are many factors influencing a consumer's decision to purchase an energy efficient product. Some of these factors are out of the realm of the retailer's influence, such as the overall condition of the economy and consumer spending, so there is reason to evaluate sales effort as opposed to sales. The EPA judges a retailer based on their ENERGY STAR product offering as a proportion of total products offered, instead of requiring sales data. The EPA also evaluates the retailer's training, marketing, and consumer education efforts, which are all directly related to the influence a retailer has on the consumer to purchase an ENERGY STAR product.

4. Differentiate categories of retailers by size.

Small and medium retailers do not have the same resources to compete with large retailers, and therefore two categories should be set. The EPA deals with this by allowing large retailers as well as the main buying group that represents many small retailers to both apply for awards. An awards program for many small retailers could be administratively burdensome. Japan has split their energy efficient retailer certification and awards program into large and small/medium categories, allowing them to have nuance in application criteria and judgment.

5. Allow award-winning retailers to receive special recognition.

Retailers involved in the ENERGY STAR partnership and awards program consistently cited that they sought differentiation in a highly consolidated and an increasingly competitive marketplace for energy efficient products. Seeking this differentiation is one of the main motivations in applying for these awards, as all ENERGY STAR award recipients are recognized in a well-attended awards ceremony and have permission to use the awards logo in their advertisements. This recognition and logo can help differentiate them from the competition. Providing this kind of special recognition will increase the competition between retailers for the award, which will in turn lead the retailers to be more innovative in their advertising and consumer awareness campaigns for energy efficient products.

In conclusion, retailers play a role in the consumer's decision to purchase an energy efficient product. Awards programs play a role in judging how creatively and effectively retailers can influence those decisions. As higher quality information flows to the consumer through advertising, conversations with sales associates, and education campaigns, then the proportion of energy efficient appliances will increase. This study has found that the retailer award programs in Japan and the U.S. focus on judging these critical information outlets and recognizing those retailers that excel in promoting energy efficient products. Taking into account the above recommendations, China could establish its own retailer awards program which would contribute to the active promotion of energy efficient products.

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Appendix – ENERGY STAR Awards application materials

Partner of the Year - Manufacturer

2012 ENERGY STAR[®] Awards General Instructions for All Applicants

What you need to submit online:

- A 300-word executive summary highlighting the main elements of your application.
- An electronic copy of your narrative in Word, WordPerfect or PDF. (To avoid any file conversion issues, applicants are strongly encouraged to submit all materials in PDF.)
- Optional supplemental materials such as photos, pamphlets, copies of advertisements, videos, audio files, etc. can be uploaded with your application as PDF files (each file must be less than 12 MB). It is strongly recommended to consolidate supplemental print files into one or two PDF files.
- **Note:** All file names should be no longer than 15 characters and contain no spaces or special characters.
- *Retailers only:* See special instructions in the Retailer application, under the Partner of the Year category.
- *Window, Door and Skylight Manufacturers only:* See Additional Guidance document available at www.energystar.gov/windows under "For Partners."

When you need to submit it:

- A complete electronic application must be **uploaded by 8 pm, EST on December 2, 2011.** We will not accept any applications or materials uploaded after this date.

How you need to submit:

- All Partner applications must be electronically submitted through your "My ENERGY STAR Account" (www.energystar.gov/mesa). The electronic system will be available **November 1, 2011.**
- If you do not have an ENERGY STAR account, call the ENERGY STAR Hotline at 888-782-7937 to have one created.
- **We will only accept applications submitted via this online system.**
- *For Energy Management award applicants only:* Hard copies of the supplemental materials that were included with an organization's electronic submission in response to Section 3: *Promoting and Communicating Success* may also be mailed to Maura Beard, US EPA, MC 6202J, 1200 Pennsylvania Avenue, Washington, DC 20460. The limit of ten pages applies to both the electronic and hard copy submissions. The hard copy submission of the supplemental materials related to Section 3 of the application is strongly encouraged but is NOT required.

What to expect after you submit:

- **Confirmation of Receipt:** You will get an e-mail within 48 hours confirming receipt of materials you submitted electronically. It will be sent to the Primary and Communications contacts in the award application. If you do not receive confirmation within this timeframe, contact ENERGY STAR Awards Coordinator, Courtney Upshall, at (202) 343-9948 or upshall.courtney@epa.gov.
- **Notification:** You will be notified no later than January 26, 2012 on the status of your application.

Additional information:

- The ENERGY STAR Awards Ceremony will be held on March 15, 2012 in Washington, DC.
- Organizations may apply for more than one award if they meet the eligibility requirements. In such cases, a complete award application package must be submitted for each award.

However, organizations promoting ENERGY STAR in more than one ENERGY STAR program area (i.e., Residential New Homes, Home Performance with ENERGY STAR, Qualifying Products, and/or Commercial and Industrial) are strongly encouraged to submit one comprehensive application to most effectively convey their organization's strategic use of the ENERGY STAR platform and partnership in advancing energy efficiency, irrespective of internal organization/program management structures. Contact your account manager for additional details or guidance if applying for multiple awards.

- There are two broad categories of ENERGY STAR awards that you can apply for: Partner of the Year and Excellence Awards.
- Applicants for Partner of the Year – Energy Efficiency Program Delivery that do not meet the threshold criteria for Partner of the Year will be automatically considered for Excellence Awards. These applicants need not apply separately for this recognition.
- The Sustained Excellence Award, our highest honor, recognizes organizations that have won Partner of the Year for several years and that continue to surpass the achievements of the previous year. There is no separate application for Sustained Excellence.
- Where applicable, quantify your activities and the results (e.g., percent improvement, number of marketing pieces produced, number of people reached), and include electronic copies of documentation that support claims made (e.g., photos of promotional materials, samples of advertisements with the ENERGY STAR mark, copies of training materials used, etc.).
- **Each applicant will be screened for any civil or criminal environmental actions. Results of this screening will be factored into the winner selection process.**

2012 ENERGY STAR® Award Application

Partner of the Year - Product Manufacturer

Eligibility: Manufacturers of ENERGY STAR qualified products. Service providers (e.g., cable, satellite, and telecommunications providers) who label and distribute ENERGY STAR qualified products should apply for recognition using this application.

Please note that the prerequisite for any manufacturer award is compliance with the requirements outlined in the applicable ENERGY STAR Partner Commitments, Product Specification, and Identity Guideline documents. Applications will be screened for such compliance, including proper logo and label use.

Description: These awards recognize those product manufacturers who have furthered the goals of ENERGY STAR through their active participation. ENERGY STAR anticipates receiving competitive applications.

ENERGY STAR recognizes that each organization excels in specific areas. Partners may describe specific activities beyond the scope of the criteria listed below, but should not omit any data or information required by the application.

Criteria: Criteria for evaluating applications for this award are listed below. Cumulative accomplishment statements may be included in the Accomplishments Narrative, but data specific to 2011 activities must also be provided. When highlighting cumulative accomplishments, please ensure that you include a timeframe (e.g., saved \$300,000 in electricity costs in 2011 and more than \$3 million since 2001).

Executive Summary

Please provide a brief overview (300 words or less) of your organization. Include all of the following information:

- Company revenue
- Location of company headquarters
- Brief history of company (2-3 sentences)
- Summary of top three 2011 ENERGY STAR accomplishments, especially those involving co-promotion and/or consumer education

In the event that you are chosen to receive an award, this text will be used to prepare a summary of your organization's achievements. The Executive Summary does not count toward the five-page limit for the Accomplishments Narrative. The Executive Summary will be entered directly into the form provided on My ENERGY STAR Account; do not include the Executive Summary in the Accomplishments Narrative file.

Accomplishments Narrative

ENERGY STAR is committed to helping people change for the better. Our goal is to reduce greenhouse gas emissions by helping consumers identify and select products with superior energy efficiency. How are you helping to achieve that goal? Please write a narrative describing your

company's activities and accomplishments specific to supporting ENERGY STAR's objective. Your narrative should:

- Be no more than **five pages**, but may be accompanied by electronic samples of specific promotions, advertisements, or other activities your organization led in 2011.
- Use at least size 11 font.
- Provide a detailed description of your 2011 activities and accomplishments, demonstrating how you have met the required criteria.
- Be consistent with the outline below, to the extent the activities are relevant to your organization.
- Include all provided tables and their requested data points.
- Provide year-to-date figures for all requested data points. Figures requested for previous year should cover the same time period.
- Provide timeframes for any supplemental data on cumulative outcomes.

NOTE: To receive credit for efforts, applicants must supply all requested data points and descriptions in the Accomplishments Narrative. Data and descriptions supplied in the supporting documentation will not receive credit.

Product Qualification Efforts

| | |
|--|-----------|
| Number of ENERGY STAR qualified models (for windows, number of option packages also acceptable)* available in 2011 | |
| Number of ENERGY STAR qualified models (for windows number of option packages also acceptable) available in 2010 | |
| Percentage change over previous year | [Formula] |
| Percentage of product lines that are ENERGY STAR qualified | |
| For window, door, or skylight manufacturers: | |
| Percentage of models ENERGY STAR qualified in standard version | |
| Percentage of models that can be upgraded to ENERGY STAR | |
| Percentage of total sales (dollars) that were ENERGY STAR qualified in 2011 | |
| Percentage of total sales (dollars) that were ENERGY STAR qualified in 2010 | |
| Percentage change over previous year | [Formula] |

*Please provide a definition of "model" and/or "option packages"

- Information concerning new ENERGY STAR models/option packages developed/qualified in 2011, including a brief description of innovation in product design for energy efficiency. Provide design drawings or diagrams where possible.

Labeling Efforts

- Minimum labeling requirements are met on products and relevant packaging (please provide examples and pictures).
- Activities that go above and beyond minimum labeling requirements (e.g. use of the new web tool for product labeling provided by EPA/DOE http://www.energystar.gov/index.cfm?c=manuf_res.web_based_tools, unique or highly prominent use of the logo on product or packaging in terms of size, location, etc. while still meeting the ENERGY STAR Identity Guidelines).
- Manufacturers of windows, doors, and skylights must provide the following data points:

| | |
|---|--|
| Number of qualified models carrying product qualification label | |
| Percentage of qualified models carrying product qualification label | |
| Percentage change over previous year | |
| Number of qualified displays carrying display unit label | |
| Percentage of qualified displays carrying display unit label | |
| Percentage change over previous year | |

Training Efforts

| | |
|--|--|
| Number of existing employees reached through internal training | |
| Percentage of existing employees reached | |
| Number of new employees reached through internal training | |
| Percentage of new employees reached | |
| Number of distributor or retailer locations trained | |
| Percentage of distributor or retailer locations trained | |
| Number of distributor or retailer employees trained (total) | |
| Average percentage of distributor or retailer employees trained at each location | |

- Integration of ENERGY STAR into your organization's sales force and employee training. Provide scope, description of efforts, measures of impact, and examples (e.g. training manuals, new employee packets, presentations, etc.).
- Cooperation with distributors, retailers, or utility/state/regional partners to increase ENERGY STAR information in retail/distributor product knowledge training. Provide scope, description of efforts, measures of impact and examples (e.g. collateral, e-mails, screen shots of web-based, video, manuals, newsletters, presentations, ENERGY STAR specification summary sheets, etc.).
- Collaboration with EPA/DOE in the development of training activities.

Sales and Marketing

| ENERGY STAR industry-focused sales and co-promotional efforts | How many? | How often? | Reach/ Impressions |
|--|-----------|------------|--------------------|
| Exhibits at key industry tradeshows | | | |
| Presentations for or meetings with distributors and/or retailers | | | |
| Leadership and/or participation in EPA/DOE campaigns | | | |
| Co-marketing or cooperative promotions | | | |
| ENERGY STAR-themed community outreach activities | | | |

- Describe ENERGY STAR qualified product promotion efforts as outlined below. Be sure to include roles of participants, duration of each promotion, and details on impact.
 - o Integration of ENERGY STAR in exhibits at key industry tradeshows.
 - o Integration of ENERGY STAR in presentations for or meetings with distributors and/or retailers.
 - o Leadership and/or participation in promotions in conjunction with campaigns coordinated by EPA and DOE (e.g. Change the World, Start with ENERGY STAR) where applicable.
 - o Leadership and/or participation in other cooperative promotions (e.g. in-store, web-based) with utilities, state efficiency program sponsors, retailers, resellers, distributors or suppliers.

| ENERGY STAR consumer-focused sales and marketing efforts (non-web) | How many? | How often? | Reach/ Impressions |
|--|-----------|------------|--------------------|
| ENERGY STAR-themed community outreach activities | | | |
| ENERGY STAR non-web advertising – TOTAL: | | | |
| Print | | | |
| Radio | | | |
| Direct Mail | | | |
| Television | | | |
| ENERGY STAR point-of-purchase efforts | | | |

- Provide samples of ENERGY STAR themed community outreach activities, including public relations efforts, special events, and press releases.
- Provide samples of non-web advertising efforts, including print, radio, television, direct mail, etc.
- Provide samples of point-of-purchase (POP) efforts such as brochures, displays, window clings and signage (please submit examples and photographs of POP efforts in place at stores).
- Inclusion of environmental messaging in any of the above activities. Please provide file names and page numbers of examples included in the supporting documentation.

| ENERGY STAR consumer-focused sales and marketing efforts (web-based) | How many? | Unique Visitors (Total) | Impact |
|--|-----------|-------------------------|--------|
| ENERGY STAR pages on company Web site | | | |
| ENERGY STAR advertisements on other Web sites | | | |
| ENERGY STAR related on-line videos | | | |
| ENERGY STAR related blog posts | | | |
| | | Followers/ Friends | Impact |
| ENERGY STAR related outreach via social media groups | | | |

- Include links to content. Screenshots are not necessary unless the webpage is no longer live.
- Inclusion of environmental messaging in any of the above activities. Please provide file names and page numbers of examples included in the supporting documentation.

Consumer/End User Education

From your company's Sales and Marketing efforts outlined above, please highlight innovative educational efforts that go above and beyond simple ENERGY STAR logo use and/or messaging. True consumer education efforts are focused on informing and educating the consumer about the ENERGY STAR label, criteria, and the importance of energy efficiency.

- Provide the following statistics for each effort, where relevant:
 - Quantity of materials/efforts
 - Frequency of efforts
 - Reach/Impressions
 - Unique visitors
 - Average view times
- Supply examples showing quality educational content, e.g.:
 - Links to YouTube videos, blogs, social media sites (Facebook or Twitter), or other web pages
 - Screenshots of pages that are no longer live
 - Samples of advertorials, brochures, pamphlets, signage, etc.

Cross-Cutting Efforts That Have Been Incorporated into Company Practices

- Partnership/leadership in revising and developing new ENERGY STAR specifications (where applicable for your product category).
- Offering recycling of products and/or packaging or developing in-house recycling programs.
- Participation in the development of data tools, such as Find-a-Product and On-line Product Submittal system. Provide product and marketing data using these tools. (Where applicable for your product category).
- Commitment to organization-wide facility energy efficiency improvements.
- Organizational procurement practices of energy efficient and/or ENERGY STAR qualified products.
- Participation in other EPA programs, such as:
 - Low Carbon IT
 - SmartWay
 - Green Power Partnership
 - Responsible Appliance Disposal (RAD) Program
 - Change the World with ENERGY STAR Campaign
- Pursued ENERGY STAR certification for building or gave preference to leasing space from ENERGY STAR certified buildings.
- Offering innovative product design (e.g., offering lowest energy consuming model on the market, using more environmentally-friendly materials such as low global warming potential process agents, refrigerant, foams and fewer toxics, reduced life-cycle and/or carbon intensity).
- Commitment to protecting integrity of the ENERGY STAR brand through continuous improvement, enhanced quality assurance, reporting logo and labeling violations, or other practices.

2012 ENERGY STAR® Awards General Instructions for Retailer Applicants

What you need to submit:

- A 300-word executive summary highlighting the main elements of your application.
- An electronic copy of your narrative in Word, WordPerfect or PDF. (To avoid any file conversion issues, applicants are strongly encouraged to submit all materials in PDF.)
- Supplemental material such as photos, pamphlets, copies of advertisements, videos, audio files, etc. can be uploaded with your application as PDF files (each file must be less than 12 MB). It is strongly recommended to consolidate supplemental print files into one or two PDF files.
- **Note:** All file names should be no longer than 15 characters and contain no spaces or special characters.
- See special instructions for submitting hard copy supplemental material, below.

When you need to submit it:

- A complete electronic application must be **uploaded by 8 pm, EST December 2, 2011**. We will not accept any applications or materials uploaded after this date. See special instructions for hard copy supplemental material, below.

How you need to submit:

- All Partner applications must be electronically submitted through your "My ENERGY STAR Account" (www.energystar.gov/esa). The electronic system will be available **November 1, 2011**.
- If you do not have an ENERGY STAR account, call the ENERGY STAR Hotline at 1-888-782-7937 to have one created.

What to expect after you submit:

- **Confirmation of Receipt:** You will get an e-mail within 48 hours confirming receipt of materials you submitted electronically. It will be sent to the Primary and Communications contacts in the award application. If you do not receive confirmation within this timeframe, contact ENERGY STAR Awards Coordinator, Courtney Upshall, at 202-343-9948 or upshall.courtney@epa.gov.
- **Notification:** You will be notified no later than January 26, 2012 on the status of your application.

Special Instructions for Hard Copy Supplemental Material:

Any supplemental material that cannot be submitted electronically should be sent to the address listed below, via a commercial delivery service. All supplemental materials must be **postmarked by December 2, 2011:**

Via Commercial Delivery Service:

Jill Vohr, US EPA
1310 L Street, NW, 9th Floor
Washington, DC 20005-4113
Phone: (202) 343-9002

EPA will confirm receipt of any hard copy supplemental material by e-mail within one week of receipt. If you do not receive confirmation within this timeframe, please contact Jill Vohr at 202-343-9002 or Vohr.Jill@epa.gov.

Additional information:

- The ENERGY STAR Awards Ceremony will be held on March 15, 2012 in Washington, DC.
- Organizations may apply for more than one award if they meet the eligibility requirements. In such cases, a complete award application package must be submitted for each award.
- There are two broad categories of ENERGY STAR awards that you can apply for: Partner of the Year and Excellence Awards.
- The Sustained Excellence Award, our highest honor, is selected by EPA to recognize organizations that have won Partner of the Year for several years and their achievements continue to surpass those of the previous year. There is no separate application for Sustained Excellence.
- Regional and/or retailers with fewer storefronts are encouraged to apply and will be evaluated commensurate with their size.
- **Buying groups** and/or retail member groups are encouraged to apply. Buying groups should consider the same award evaluation criteria in compiling their application as retailers, but should focus on demonstrating how they supported their retail members' accomplishments in relation to the criteria, particularly for Product Specification and Stocking, Sales Associate Training, and Marketing and Communications.
- **E-tailers**, who have no storefronts, are encouraged to apply. E-tailers should consider the same award evaluation criteria in compiling their application as retailers, with the exception of Sales Associate Training and Marketing and Communications tactics related to in-store.
- Where applicable, quantify your activities and the results (e.g., percent increase in stocking and sales, and number of customers reached (e.g., circulation, impressions, store traffic, etc.)), and include electronic copies of documentation that support claims made (e.g., photos of promotional materials, samples of advertisements with the ENERGY STAR mark, copies of training materials used, etc.)
- Due to the volume of material that will be received, we will not be able to return any supplemental material submitted in hard copy.
- **Each applicant will be screened for any civil or criminal environmental actions.** Results of this screening will be factored into the winner selection process.

2012 ENERGY STAR® Award Application

Partner of the Year – Retailer

- Eligibility:** Retailers of ENERGY STAR qualified products. To be eligible for an award, applicant must be a partner in good standing, having complied with applicable partner commitments, including the requirement to submit qualified product sales data.
- Description:** Retailers, both large and small, are making an ever-increasing contribution to the growing success of ENERGY STAR. And as ENERGY STAR retail partner participation in the program continues to expand, we are dedicated to recognizing the very best in terms of a broad commitment to and success with ENERGY STAR.
- Each retailer excels in specific areas relative to their size and specialty. Applications will be reviewed with this in mind and, depending on the applicant pool, a separate retail Partner of the Year award may be given to a small, regional, or specialized retailer. Please note that there is a separate application for lighting showrooms.
- Applicants should also specify if they are an **e-tailer** or a **buying group** to ensure that we evaluate your accomplishments commensurate with your business type. See general instructions above.
- Narrative:** Your narrative description should be no more than **10 pages**, but may be accompanied by samples of specific hard copy outreach materials representing your 2011 activities, such as strategies, training materials, signs, brochures, circulars, and other advertisements.
- **Executive Summary (300 words or less)**—Please provide a brief overview of your organization and highlights of key accomplishments that make you eligible for this ENERGY STAR award. In the event that you are chosen to receive an award, this text will be the basis used in preparing a summary of your organization's achievements. The Executive Summary will **not** count toward the 10-page limit.
 - **Accomplishments**—Organizations applying for the Partner of the Year Award should **highlight their accomplishments from December 2010 through the end of November 2011 and, if possible, cumulative accomplishments**. Since applications are due on December 2, this will provide retailers an opportunity to share your accomplishments for December – typically an active season for the retail industry. When highlighting cumulative accomplishments, please ensure that you include a timeframe (e.g., saved more than \$10 million since 2001).
- Criteria:** Criteria for evaluating this award are listed below. In describing your company's activities, please organize your submission consistent with the outline below and be as specific as possible per the below instructions for each criterion.

Award Evaluation Criteria

ENERGY STAR Strategy

- Demonstrate the integration of ENERGY STAR into the corporate strategy across all relevant product categories.

- Include in the application a clearly articulated ENERGY STAR marketing strategy that includes specific goals, tactics, schedules, and evaluation.
- Demonstrate active engagement and collaboration with EPA to optimize ENERGY STAR partnerships both strategically and tactically. Include examples, as relevant, of where your organization took the initiative to design and execute ENERGY STAR-focused promotions.
- Include in the application specifics on how your ENERGY STAR partner activities are helping to advance the ENERGY STAR program goals of reducing greenhouse gas emissions and educating consumers about the environmental benefits of energy efficiency.
- Report progress in implementing plan and achieving goals.

Product Specification and Stocking

- Demonstrate active merchant engagement with EPA to increase specification, stocking, and sales of products in all relevant product categories.
- Provide goals/targets for increasing stock of ENERGY STAR qualified products in all relevant product categories (e.g. increases in number of SKUs, % of SKUs, and/or % of products).
- Describe all efforts to work with vendors to increase stock of ENERGY STAR qualified products.
- Report progress in meeting these goals/targets (e.g. increases in number of SKUs, % of SKUs, and/or % of products) as well as any "first to market" achievements for new product categories or revised specifications (e.g. solid state lighting, water heaters, TVs, etc.)
- Describe all efforts to request/require ENERGY STAR labeling of qualified products by vendors and report progress.

Sales Associate Training

- Demonstrate the full leveraging of sales associates to help educate and promote ENERGY STAR to customers in store, including the integration of ENERGY STAR content into all existing training tactics across all relevant product categories.
- If your ENERGY STAR marketing strategy does not address training, include in the application a clearly articulated ENERGY STAR training plan developed in collaboration with EPA at the beginning of the planning cycle that includes specific goals, tactics, schedules, and evaluation.
- Include information on how your organization worked with vendors or utility/state/regional partners to increase ENERGY STAR sales associate training, as relevant.
- Report progress in implementing plan and achieving goals.
- Please list and include (as available) all training efforts that include ENERGY STAR and medium utilized (publication, TV, Web-based, in-person, etc.). For **each** effort, please include the following information, where applicable:
 - Scope (national/regional, # stores)
 - Number of employees reached

Marketing and Communications

- Demonstrate the full leveraging of all relevant marketing and communications tactics to help educate and promote ENERGY STAR among customers.
- Describe your organization's participation in EPA's Change the World, Start with ENERGY STAR campaign.
- Please list and include (as available) all ENERGY STAR marketing and communications tactics, including advertising (broadcast, radio, print, circulars, etc.), direct mail, Web, public relations, events, in-store displays, in-store signage, in-store radio/Muzak/TV, clinics/in-store events, collateral, etc. Please include hard/electronic copies of as much as you can in the supplemental materials part of the application. For **each** effort, please include the following information, where applicable:

- Scope (national/regional, # stores)/distribution/markets
- Duration
- Impressions (e.g. store traffic or circulation)

Evaluation

- Demonstrate cooperation in supporting ENERGY STAR efforts to evaluate program success, e.g. Retail Sales Level Assessment and/or sales data collection and/or surveys.
- Describe any evaluative studies conducted relevant to ENERGY STAR, energy-efficiency and environment from a retailer perspective and attach a copy of the report/results of the study.
- Describe any other efforts related to evaluating your ENERGY STAR partnership and the value of ENERGY STAR to your marketing efforts and the results.

ENERGY STAR Promotion

2012 ENERGY STAR® Award Application Excellence – ENERGY STAR Promotion

Eligibility: All ENERGY STAR partner retailers, manufacturers, Energy Efficiency Program Sponsors, or other organizations, who planned and executed a successful promotion or consumer education campaign around an ENERGY STAR qualified product category, series of products, or ENERGY STAR at large.

Applying for Another Award? You may include your promotion or consumer outreach campaign within the application for that award rather than submitting two applications.

- + While it is unlikely that two awards will be issued to the same organization, the award committees will evaluate your application for both awards assuming you have clearly and fully addressed the award criteria for both.
- + Retailers, manufacturers, and/or energy efficiency program sponsors who team up on a promotion/campaign are encouraged to apply as a group.

Description: This award recognizes specific, exemplary ENERGY STAR promotions or consumer outreach campaign activities (vs. ongoing efficiency programs) **that took place during calendar year 2011**. Promotions and educational campaigns may have leveraged the national "Change the World, Start with ENERGY STAR" campaign to promote specific ENERGY STAR product(s) or may focus on other energy-efficient products or practices (for example, enabling power management settings on computers or setting a programmable thermostat correctly). Examples might include an advertising campaign, media event, community event, multi-tiered educational campaign, or combinations of these as they tie into one comprehensive promotional strategy.

Criteria: To be considered, promotions, behavioral change or social marketing campaigns should clearly work in support of any or all of the following goals:

- Increase consumer understanding of ENERGY STAR – visual recognition of blue label, what it stands for, who's behind it, individual and collective benefits of choosing ENERGY STAR
- Increase consumer participation in Change the World, Start with ENERGY STAR national campaign activity (i.e., increase visits to the ENERGY STAR Web site, pledge driver activities, drive attendance at educational events, etc.)
- Increase sales of ENERGY STAR qualified products in a sustainable manner (e.g., any price incentives are complemented with educational materials conveying product benefits and value, etc.)
- Affect sustained behavior change around energy efficiency – move consumers from 'knowing' to 'doing'
- Increase presence of ENERGY STAR in media (TV, newspapers, consumer publications, Web content, trade publications, radio, etc.)

Narrative: Your narrative description should be no more than **five pages**, but may be accompanied by electronic samples of your campaign, advertisements, media kit materials, or other collateral associated with the ENERGY STAR marketing or consumer awareness activity for which you're applying. These supplemental materials will **not** count toward the five-page limit.

- **Executive Summary (300 words or less)**—Please provide a brief overview of your organization and the highlights of key accomplishments that make you eligible for this ENERGY STAR award. In the event that you are chosen to receive an award, this text will be the basis used in preparing a summary of your organization's achievements. The Executive Summary will not count toward the five-page limit.
- **Accomplishments**—Organizations applying for this award should provide a **detailed description of your 2011 accomplishments** demonstrating how you have met the following required criteria.
- **Cumulative Accomplishments**—When highlighting cumulative accomplishments, please ensure that you include a timeframe (e.g., saved \$3 million in 2011 and more than \$10 million since 2001).

Award Evaluation Criteria

Reviewers will look for the following, *as appropriate to your activity*:

1. Leveraging of ENERGY STAR's "Change the World, Start with ENERGY STAR" national campaign for ENERGY STAR product or "practices" messaging
2. Use of 'ENERGY STAR blue' label – used properly and to convey understanding of its purpose/meaning
3. Definition of ENERGY STAR as government-backed, associated with energy efficiency and environmental protection/preservation
4. Visual examples of how a nationally consistent 'tone' was used to convey ENERGY STAR (see ENERGY STAR Identity Guidelines for guidance on this)
5. Tactics that work to create repeat sales and, ultimately, influence market share (vs. solely marketing a discounted price on a qualified product or giving a product away without a tie-in to retail to help drive consumers to purchase the next one)
6. Evidence of retail sales staff training
7. Media activities that enhance relevant consumer understanding of ENERGY STAR

Candidates must include the following in their narrative, *as appropriate to your activity*:

- Brief description of the promotion/campaign: its title/name, goals and tactics (e.g., advertising, events, Web, direct mail, sales person training, in-store promotion) and media (e.g., TV, radio, social media, publication, in-store)
- Intended audience for the promotion/campaign (e.g., demographics, internal, external, international, or domestic)
- Dates and location of activity(ies)
- Brief description of any partnering or cooperative aspects
- Imagery may be incorporated into the narrative or attached electronically as supplemental materials
- Bulleted list of qualitative and/or quantitative results of your efforts. For example:
 - List of consumer education materials produced and number disseminated
 - Media impressions (e.g., circulation, hits, reach, and frequency) of the promotional activity by medium (e.g., print ads, brochures, Web, etc.) and in total
 - Sales numbers: Sales of ENERGY STAR qualified product during the promotion, rebate redemption numbers, shipping data, or percentage increase in sales over same time last year
 - Number of sales associates trained or increase in salesperson/contractor knowledge

- Other qualitative or quantitative consumer/community feedback, including measures illustrating behavioral change

Candidates are encouraged to substantiate their activities and results with additional documentation. A list of possible documentation is provided here, but is not intended to be exhaustive nor prescriptive:

- Example(s) of use of ENERGY STAR national campaign marketing or media kit materials (whether used to build partner materials or used as-is)
- Electronic examples of
 - Consumer education materials (should correspond to the bulleted list mentioned above)
 - Electronic copies of placed print, radio and/or TV advertisements
 - Copies of magazine or newspaper articles
 - Screen captures of relevant webpage/content
 - Photos of in-store displays/other promotional or campaign activities
 - Photos of media events and/or samples of press materials that place activity in context of national initiative
- Other electronic documentation to support claims made in application