



# **Residential Water Heater Program**

## **Midstream Delivery**

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# Agenda

- **Program overview**
- **Advantages of the midstream approach**
- **2009 performance**
- **Developing a midstream program**
- **Key success factors**
- **Q&A**



# Midstream Program Overview

- **Efficiency requirements:**
  - 0.62 EF gas, 0.93 EF electric
- **Rebate levels:**
  - \$15 gas, \$30 electric – provided to distributors
  - Incentive to stock, promote and sell efficient models
  - Part of incentive passed on to contractors
  - Discount levels out the playing field between wholesale price of efficient and non-efficient models



# Midstream Advantage

- **Contractor's impact on end-user decision**
- **Quick turn-around needed for replacement**
- **Greater reach through distributors**
  - 15 participants, many with several branches
- **Higher unit volume and savings**



# 2009 Program Impacts

- **Midstream:**
  - 21,660 gas units - 426,000 therms
  - 360 electric units - 59,000 kWh
- **Downstream:**
  - 3,061 gas units - 60,000 therms
  - 91 electric units – 15,000 kWh



# Program Development

- **Key: relationship building and maintenance with distributors**
  - Regular fields visits and phone calls
  - Unique environment
- **Challenges:**
  - Ensuring steady flow of sales data
  - Obtaining customer-level information
  - Addressing double-dipping risk



# Key Success Factors

- **Leveraging rebate to ensure participation**
  - Contractors shop for all their supplies in one place
  - Additional efficient models stocked as a result
- **Managing contractors' perceptions**
  - Marketing materials: “discount” vs. “rebate”
- **Making it easy for distributors**
  - Additional leg work performed entirely by Matrix Energy Services, our implementation partner



# Summary

- **Rebates for distributors, instant discounts for plumbing contractors to level the playing field**
- **Leverage contractors' influence to achieve higher volume via a midstream approach**
- **Building strong relationships and making it easy to participate is key**



# Questions?

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