

## Xcel Energy

### A. Category

#### ENERGY STAR Partner of Year Awards, Energy Efficiency Program Delivery, Residential New Construction - ENERGY STAR Homes

### B. Program Design for the ENERGY STAR Homes Program

The ENERGY STAR Homes program managed and run by Xcel Energy motivates builders to construct homes using a “whole house” approach to making these homes more energy efficient, comfortable and durable. This approach combines energy saving construction methods with energy efficient appliances to achieve significantly higher energy savings and provide customers with lower energy bills.

The ENERGY STAR Homes program is offered in Colorado and Minnesota. The programs are similar in theory, but have different barriers, strategies, requirements and incentives. Both programs are designed to motivate builders to construct homes above and beyond local building codes and also to exceed the requirements of ENERGY STAR. In each program, quality assurance (“QA”) procedures are followed and enforced more stringently than what is required by standard RESNET procedures. The QA is done through automated database check points that not only improve the quality of the ratings, but the database also increases the value of the ratings to the home builders.

Minnesota has over 100 active participating builders, including the top ten builders in the state. The penetration rate for the program in Xcel Energy’s service area is at an impressive 50%. The program has been very successful at achieving goals despite the downturn in the economy, however, barriers still exist for market adoption. Key challenges and strategies to overcome barriers for Minnesota are:

- **Low consumer awareness** and understanding of the benefits of an ENERGY STAR Home. Xcel Energy wants consumers to be aware of the program, understand the benefits and ask for an ENERGY STAR Home.
  - To increase awareness of the ENERGY STAR Homes program, and educate consumers on the value of energy efficient homes, Xcel Energy developed and sponsored the Energy Efficient Homes on Tour (similar to the Parade of Homes but features energy efficient houses). Xcel Energy worked in collaboration with the local green homes organization, Minnesota GreenStar, to showcase both ENERGY STAR and GreenStar Homes. The Tour took place April 9 – 25, 2010. There were 52 participating ENERGY STAR homes. The Tour guidebook listings were showcased in the April issue of *Minneapolis/St. Paul (MSP) Magazine* and available through a link on the Xcel Energy website. Additionally, Xcel Energy had a 20 page editorial section featuring the ENERGY STAR Homes program and building science practices in the magazine along with the home listings and map. To promote the campaign, Xcel Energy implemented radio and print advertising, in addition to several local events, and one larger event and contest at the MN Wild hockey game.
  - After several years of negotiation, Xcel Energy reached an agreement with the Builders Association of the Twin Cities to sponsor the 2011 Parade of Homes. This will include showcasing ENERGY STAR Homes with a distinct design in *Parade of Homes* magazine, front cover call-out, 6 pages of editorial, web presence and search capability, yard signs and \$50,000 of ENERGY STAR Homes specific advertising.
- **Attracting new builders** by increasing the rater network. This is key component to sustaining and growing goals, and increasing building science knowledge in the community.
  - Recruited and trained an additional 6 rating companies to participate in the ENERGY STAR Homes programs. The database, designed specifically for Xcel Energy, allows all raters to provide the same high quality services to all participating builders and will easily allow for the necessary adaptation of ENERGY STAR Version 3.
- Encourage builders to expand and grow their knowledge of building science so that they can **understand and accept the changes in the ENERGY STAR Version 3**.
  - The Energy Star Homes program sponsored a free training for builders and realtors on Nov. 11 featuring nationally know presenters: Joseph Istiburek for building science and Todd Gamboa for realtors. One of the main objectives of the training was to explain ENERGY STAR version III and help prepare builders for the changes. The training helped motivate builders and realtors to continue to participate in the ENERGY STAR Homes program by increasing their knowledge and teaching them how to construct and sell energy efficient homes. This free seminar also offered continuing education credits for builders and realtors, which encouraged both parties to attend. Nearly 200 people registered for this successful event.

The **Colorado** program has been in the market for two years. Key challenges include:

- **Apply the benefits of ENERGY STAR in the market.** Many home builders have used ENERGY STAR as a code compliance tool, and not embraced the meaning or intent of ENERGY STAR.
  - To address this issue, Xcel Energy has required builders to complete a separate agreement allowing Xcel Energy to receive positive confirmation that builders are willingly participating in the program and are not being enrolled unknowingly by HERS Raters. In addition, the agreement serves as a release of information for marketing purposes.
- **Increasing builder awareness, participation and acceptance**—This includes overcoming builder misconceptions that they already construct energy efficient homes.
  - During December of 2009, Xcel Energy was responsible for recruiting over 150 homebuilders to attend the Colorado ENERGY STAR Summit. In years past less than 10 builders have been in attendance.
  - Xcel Energy provided materials to builders to help build awareness including yard signs and flash drives containing training materials, video, collateral, Rater training, PSAs, and local events.
- **Training raters to promote the program** to builders.
  - The program has over 26 active rating companies that have varying degrees of skill, knowledge, and building science capabilities. To meet the goal of providing equal service to all participating builders throughout the state, Xcel Energy has implemented a new method of quality control that ensures all homes are rated in a consistent manner. Additionally, much time has been spent training the raters to communicate the value and benefits to builders.

Xcel Energy provides free rating services and/or incentives for builders that construct ENERGY STAR Homes programs in Colorado and Minnesota. The program requirements and incentives for the program differ by market. In Colorado Xcel Energy provides up to \$460 to cover the cost of the rating and the following incentive for builders:

<b>Colorado Front Range &amp; Mountain Areas (Except Boulder*)</b>			
<b>HERS Index</b>	<b>Performance Rating Rebate</b>	<b>BOP Rating Rebate</b>	<b>Sampling Rating Rebate</b>
ENERGY STAR (80/85 - 76)	\$350.00	\$350.00	\$115.50
75 - 66	\$500.00	\$350.00	\$165.00
65 - 56	\$700.00	N/A	\$231.00
55 - 46	\$1,200.00	N/A	\$396.00
45 or less	\$2,000.00	N/A	\$660.00

<b>*Colorado City of Boulder and Boulder County Areas</b>			
<b>HERS Index</b>	<b>3,000 or below</b>	<b>3,001 - 5,000</b>	<b>5,001 or above</b>
ENERGY STAR (80/85 - 76)	N/A	N/A	N/A
75 - 66	N/A	N/A	N/A
65 - 56	\$350.00	N/A	N/A
55 - 46	\$500.00	\$350.00	N/A
45 - 36	\$700.00	\$500.00	N/A
35 - 26	\$1,200.00	\$700.00	\$350.00
25 - 16	\$2,000.00	\$1,200.00	\$500.00
15 - 06	\$3,000.00	\$2,000.00	\$700.00
05 - Net Zero	\$5,000.00	\$3,000.00	\$1,200.00

CO Electric rebates are available for the installation of three ENERGY STAR appliances and twenty ENERGY STAR CFL lights or labeled fixtures totals \$110.

In Minnesota, incentives are:

Minnesota Services/Home Size	Free services	Rebates	Value
Natural gas only	HERS rating, ENERGY STAR verification and onsite consulting	Not available	\$1,150
Natural gas and electric	HERS rating, ENERGY STAR verification and onsite consulting	\$500 for ENERGY STAR lighting, appliances and ECM furnace motor	\$1,650
Electric only - over 2,000 sq. ft.	Not available	\$500 for ENERGY STAR lighting, appliances and ECM furnace motor \$250 for a qualified ENERGY STAR HERS rating	\$750
Electric only - under 2,000 sq. ft.	Not available	\$500 for ENERGY STAR lighting, appliances and ECM furnace motor \$150 for a qualified ENERGY STAR HERS rating	\$650

### C. Incorporation of the ENERGY STAR

Xcel Energy actively advocates and promotes the ENERGY STAR brand in materials, advertising and trainings. Xcel Energy requires all participating builders to sign-up as an ENERGY STAR partner and attend trainings. Xcel Energy incorporates the logo in brochures, emails, signage, ads, etc., but more importantly Xcel Energy and our implementer, Residential Science Resources work with raters and builders one-on-one to help them understand and communicate the benefits of ENERGY STAR. Xcel Energy encourages builders to leverage and promote ENERGY STAR to their customers. Xcel Energy currently has several builders promoting the ENERGY STAR brand with brochures and signage, training their realtors so they can communicate the value to customers.

In CO, Xcel Energy works regularly with the Governors Energy Office (GEO) to support and implement their on-going efforts to promote ENERGY STAR Homes. For example, Xcel Energy is a partner/sponsor of the Northern Colorado ENERGY STAR Homes (NoCO ESNH) group that received grant money from GEO to implement an outreach and support program for builders and raters in the northern CO region. This effort focus' on education and training and leverages the dollar incentives provided by Xcel Energy.

### D. Market Effects

The ENERGY STAR Homes program by Xcel Energy has had a tremendous impact on the markets in both MN and CO. In MN, the program has achieved a **50 percent market penetration** rate in the MN natural gas service area.

Xcel Energy is currently implementing an ENERGY STAR Homes program evaluation for MN to determine the market spillover and net-to-gross ratio. Xcel Energy knows that participating builders are transferring their skills and desire to build ENERGY STAR Homes outside the Xcel Energy service area. Xcel Energy was able to validate that theory in a small market research survey completed in June of 2008, but will have concrete evidence of this when the comprehensive market evaluation being implemented by Cadmus is final and released in January of 2011. The energy saved by the program in 2010 will reach nearly 32,000 decatherms. Since the inception of the program, natural gas savings have been nearly 250,000 MCF. That is enough natural gas to heat over 4,000 homes for a year. Builder participation in the program has increased from 33 to 163 in the past six years, which is an increase of nearly 500 percent. At least five other utilities have started similar ENERGY STAR Homes programs in Minnesota because of the effects and progress Xcel Energy has made.

In CO, the program is expected to reach **40 percent penetration rate** in 2010. This is an incredible achievement in only two years since the program was launched in 2009. The program will achieve more than 2,800 participants, 1 GWh in electric savings and nearly 36,000 decatherms in natural gas savings. Xcel Energy's partnership with the building industry is essential in our efforts to use energy tools to help strengthen Colorado's economy, improve our environment, and enhance homeowners' quality of life. A robust and continuously expanding network of ENERGY STAR Builders has been created to feed the growing demand for energy efficient homes. In the past two years, nearly 5,000 Colorado ENERGY STAR Homes have been constructed. These new homes have enabled each new homeowner to save up to 30-40% annually on energy costs.

## Xcel Energy

### A. Category

#### **ENERGY STAR Partner of Year Awards, Energy Efficiency Program Delivery, Home Performance with ENERGY STAR.**

### **B. Program Design for the Home Performance with ENERGY STAR Program**

The Home Performance with ENERGY STAR program by Xcel Energy motivates customers to use a “whole house” approach to making improvements. This approach significantly improves the energy efficiency of the home and reduces the customers’ energy bills. It creates a comfortable and satisfying experience for the customer and provides opportunities for a variety of types of contractors to leverage each other and grow their businesses. The program was developed using principles from the nationally recognized ENERGY STAR “Home Performance with ENERGY STAR” program. The program concept is to provide a customer with energy auditing services, contractor resources for implementing home improvements recommended at the time of the energy audit, and independent verification of the improvements after completion. Xcel Energy offers this turn-key service for customers, in addition to rebates for making multiple home improvements.

The Home Performance with ENERGY STAR program is offered in Colorado and Minnesota. The customer must implement at least five energy saving home improvements: three mandatory elements and two optional measures recommended by the auditor. A list of participating Home Performance Contractors is provided to the customers for obtaining bids and contracting the installs. The participating contractors receive special training by Xcel Energy about the program to better understand the purpose and benefit of multiple energy efficiency (and sometimes interactive) improvements and the process the customer must follow to be eligible for rebates.

Rebate levels exceed that of stand-alone rebate amounts to help cover the costs of multiple installs/performance upgrades. The customer must make five improvements: Attic insulation, Air Sealing and CFLs are required measures; additionally, the customer must select two improvements from the list below:

#### **Program Measure Improvements**

<b>REQUIRED MEASURES</b>	
Air sealing/weather stripping	\$ 60.00
Attic insulation	\$ 350.00
CFL's	\$ 40.00
<b>OPTIONAL MEASURES</b>	
Boiler- 84%	\$ 250.00
AC 14.5 SEER	\$ 250.00
AC 15 SEER	\$ 350.00
AC 16 SEER	\$ 475.00
Clothes Washer	\$ 50.00
Dishwasher	\$ 15.00
ECM Fan	\$ 100.00

Furnace 90%	\$ 150.00
Furnace 92%	\$ 225.00
Furnace 94%	\$ 300.00
New 84% boiler	\$ 250.00
Occupancy Sensor	\$ 60.00
Refrigerator	\$ 15.00
Programmable Thermostat	\$ 10.00
Wall Insulation	\$ 400.00
Water Heater - Tankless (0.82 EF)	\$ 450.00
Water Heater - (0.67 EF)	\$ 150.00
Water Heater - (0.80 EF)	\$ 250.00
Refrigerator Recycling	\$ 35.00

The Home Performance with ENERGY STAR program launched five years ago in MN. A great deal was learned in the first few years and by the time the CO program was initiated the key learnings were applied to it. Although the programs are still relatively small in comparison to many other programs at Xcel Energy, the program has been very well received and effective for customers that have completed it. The MN program has been in the market longer, but both programs have similar market challenges. The primary barriers are:

- **The complexity of the program--** the program is difficult to communicate and promote because of the multiple step process and program requirements.
  - To help streamline the program Xcel Energy has created a welcome packet to simplify the steps and create a seamless process. The packet provides all the information the customer needs, and lays out an easy step by step process. It also includes case studies or what we call “road maps” from customers that have successfully completed the program. This helps customers get comfortable and understand the process, and it gives them an idea what to expect.
  - Xcel Energy set up a dedicated phone line for customers that need a little extra help along the way. Customers can call to get guidance, advice or information. The packet also includes a magnet with the phone number.
  - Xcel Energy previously required customers to complete the work within six months. This was changed to one year to help customers spread out the work and financial commitment to create less of a burden on customers.
- **Lack of promotion by auditors.** The success of the program depends on the auditors’ ability to promote the program. Because of the program complexity, many of the auditors were not motivated to promote it.
  - To address this issue, Xcel Energy thoroughly training auditors so they understand the program intimately and began offering a \$150 incentive to auditors for recruiting customers to sign-up for the program.
- **The contractor list needed to be expanded** to offer a wide variety of contractors over each specialty area and expansive geographic areas.
  - Xcel Energy actively recruited contractors to expand the contractors options and locations. Expanded to 12 geographic locations.

The goals of the program are:

MN: 175 homes, 316,614 net generator kWh, 18,936 decatherms.

CO: 100 homes, 153,298 net generator kWh, 4,980 decatherms.

### **C. Incorporation of the ENERGY STAR**

Since the program began, Xcel Energy has heavily promoted the ENERGY STAR brand and incorporated it in all aspects of the program. Xcel Energy also promotes the ENERGY STAR brand in contractor training, communicating what the ENERGY STAR means to the program and customers. Xcel Energy believes that the ENERGY STAR adds credibility to the program. Customers that participate in the Home Performance with ENERGY STAR program make a substantial investment, the ENERGY STAR helps them feel confident and comfortable with their decision to do so.

The ENERGY STAR logo is displayed on the website, and in the brochures, ads and promotional materials.

### **D. Market Effects**

In 2010, the Home Performance with ENERGY STAR program will achieve:

MN: 175 homes, 316,614 net generator kWh, 18,936 decatherms.

CO: 100 homes, 153,298 net generator kWh, 4,980 decatherms.

Although the Home Performance with ENERGY STAR program is relatively young in its life cycle and has not achieved a huge amount of energy savings, substantial improvements have been made to the process including:

- Reducing the barriers for customer participation by improving the marketing materials, expanding the contractor list, adding a help line and expanding the rebate submission time period. This has added to customer satisfaction and will position the program for more participation in 2011.
- Reducing barriers for auditors by adding a \$150 incentive per house and helping them sell the program.

**These improvements in 2010 have increased the participation by 35% over 2009 results and are estimated to have an even bigger impact in 2011.**

Participating contractors state that their business has grown since participating in the program. During the Home Performance with ENERGY STAR trainings Xcel Energy encouraged contractors to network with other types of contractors and build their business through referrals from these contractors, for example: insulation contractors referring heating contractors and visa versa.

Xcel Energy prides itself on completing accurate and comprehensive verification on all homes. Each auditor is BPI certified and implements a thorough inspection on each house. The verification visits provide peace of mind for customers, third party inspections of contractor's work and ensure that all the energy savings parameters are met.

## **Xcel Energy**

### **A. Category**

**2010 ENERGY STAR Partner of Year Awards, Energy Efficiency Program Delivery, Commercial and Industrial.**

### **B. Program Design for Commercial and Industrial**

Xcel Energy's Commercial Real Estate Efficiency program offers a commercial audit, customized recommendations for energy efficiency improvements and incentives to motivate building owners to make improvements. Customers received a Preliminary Report based on information gathered through surveys and an on-site visit. The report included an energy-use and rate analysis; an ENERGY STAR Benchmarking Score; and a comprehensive list of energy efficiency opportunities identified for the building. The recommendations were developed using a "whole-building" approach and included low-cost/no-cost recommissioning measures along with suggestions for capital improvements; each listing the approximate cost, energy savings, rebate amount and project payback.

Xcel Energy anticipates participants could see energy savings of up to 15 percent or more by making all the efficiency-related capital and operational improvements recommended by the program. The program combines technical and financial building analysis and then packages our existing conservation offerings in to attractive rebate bundles. This hands-on approach with energy-efficiency experts helps customers through each step of the process. Customers enroll in the program for the following benefits:

- Helps build a business case for energy-saving improvements
- Details how best to run the building's current mechanical systems
- Identifies energy savings, cost estimates and rebate amounts for individual energy conservation opportunities
- Shows rebates available for all stages of the process – from study funding to implementation

The program starts with the completion of a CRE Energy Efficiency Assessment. Xcel Energy covers the majority of the costs – customers pay only \$2,500 to participate. If there are opportunities identified that require additional analysis, we'll fund up to 75% of the cost for an investigative study, not to exceed \$25,000. Customers can also qualify for up to a 30 percent additional bonus rebate on all improvements identified in the study that are implemented within the Commercial Real Estate Efficiency program timeframe.

All improvements are verified using one of two methods: through a prescriptive manner or by a third party. Simple improvements are verified in a prescriptive manner in which invoices submitted for each eligible improvement and 10% of the improved are independently verified by a third party. Complicated customized improvements are verified by a third party site visit.

The program launched in 2009 as a means to target a hard-to-reach and under-performing market sector. The commercial real estate market is large; providing substantial opportunities for energy efficient improvements. However, the main challenge is to get building owners to take action. Commercial customers have good intentions and want to make energy efficient improvements, but for a variety of reasons including costs and a long list of priorities, don't take the initiative. To overcome this barrier, Xcel Energy created specialized package incentives to motivate customers. The limited-time-only offers, specifically for office buildings, offered considerable resources and financial incentives and created a sense of urgency for customers. Customers implementing recommendations identified in the study were eligible for up to a 30% bonus on each rebate.

While savings attributed to the program were less than planned in the first two years of the program; we've found that the sense of urgency created by the limited-time offer definitely motivated customers to implementation.

### **C. Incorporation of the ENERGY STAR**

ENERGY STAR benchmarking, using Portfolio Manager, was a key component of the Preliminary Report provided to each customer. For many customers, this was their first experience with ENERGY STAR benchmarking. Others have found that earlier ENERGY STAR scores were no longer valid due to changes in building performance. Several have continued the benchmarking process annually, as they implement efficiency measures and work toward qualification; others have qualified multiple buildings within their portfolio and use Portfolio Manager on a regular basis. Future plans are to incorporate the Building Performance with ENERGY STAR five- staged ordered approach in the studies.

### **D. Market Effects**

The program has gained significant interest among ESCO's, building maintenance companies, building owners, and management companies.

### **CO Accomplishments:**

- Through mid-November, the program has contributed over 1 GWh of energy savings in 2010.
- Conducted 17 Energy Star Benchmarking efforts using Portfolio Manager of 50,000 sq ft buildings and larger.
- Identified over 225 individual energy efficiency recommendations, which would total over 7 GWh of energy conservation if all the recommendations were implemented.



**MN Accomplishments:**

- Through mid-November, the program has contributed over 6 GWh of energy savings in 2010.
- At year-end, it will have generated 22 GWh of energy savings for our customers.
- Approximately 90 buildings, 50,000 sq ft and larger, participated in the program.
- Over 1,500 individual energy efficiency recommendations totaling over 70 GWh of energy conservation were identified.

## Xcel Energy

### A. Category

**ENERGY STAR Partner of Year Awards, Energy Efficiency Program Delivery, Other Products - Electronics and Appliances.** Xcel Energy has provided information on the two programs that use and promote the ENERGY STAR brand: Electronics and Appliances, and Home Lighting.

### Electronics & Appliances

#### B. Program Design for Electronics and Appliances

As the popularity of electronics grows, increasing plug load becomes an issue for electric customers across the country. The Xcel Energy Electronics and Appliances program addresses the issue of increasing plug load by motivating retailers to sell more ENERGY STAR units. The program in Colorado, is expected to be expanded to other markets in 2012. The program launched as a market transformation program in 2009 with objective of encouraging retailers to stock more ENERGY STAR units, to train their employees to identify ENERGY STAR products and understand the benefits of them, and to communicate this information to their customers and merchandize these products in an effective way. Xcel Energy is partnering with Best Buy, Sears, K-Mart and Lowes. Additionally, Xcel Energy is currently in negotiations with Home Depot and Ultimate Electronics. The 2010 goals for the program are: 18,116 units and 2.7 GWh in energy savings. The 2010 rebate criteria follows:

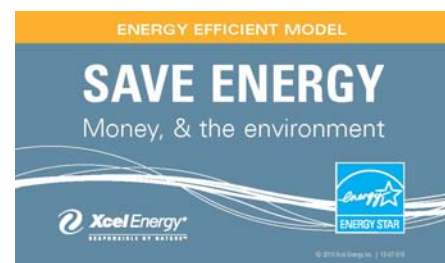
Measure	Criteria	Rebate Amount
Television	ENERGY STAR 4.1	\$20
Television	ENERGY STAR 5.1	\$25
Clothes Washer	CEE Tier 3	\$25
Dishwasher	CEE Tier 1	\$20
Refrigerator	ENERGY STAR	\$20
Room Air Conditioner	ENERGY STAR	\$20

Electronics programs are relatively new to the country outside of California, and Xcel Energy believed it was important to jump on board with an electronics program early and address pending issues with increasing customer demands related to electronics. Xcel Energy's strategy incorporates appliances with the electronics initiative as a means to increase the energy savings, attractiveness of the portfolio to retailers and to raise awareness of additional ENERGY STAR products. Xcel Energy will expand the goals and marketing tools in the coming years to impact the market and provide a sustained effect.

#### C. Incorporation of the ENERGY STAR

ENERGY STAR provides excellence awareness and a great platform for promoting electronics and appliances. The Xcel Energy program leverages the ENERGY STAR by incorporating it into all of the program materials and the rebate criteria including:

- Training presentations
- Signage (see actual signage to right)
- Banners
- Bill Inserts
- IVR system messages
- Print and radio advertising



Using ENERGY STAR has added credibility to our program and made it easy for retailers to understand and promote the program. The ENERGY STAR website and materials help us in working with retailers to educate them about energy efficiency.

#### **D. Market Effects**

This program was modified from the 2009 model to be more effective. These improvements have produced dramatic results. Reducing barriers for the retailers has made a significant improvement in the success of the program for 2010. Key achievements this year are:

- Xcel Energy will sell 30,000 units
- Achieve over 4 net generator GWh in energy savings
- Attract four new retailer chains
- Create a cost effective program. In 2009, the program was not cost effective

Xcel Energy will validate these savings using sales reports from the retailers. A third party evaluator will perform measurement and verification on the program savings.

### **Lighting**

#### **A. Program Design for Lighting**

Compact fluorescent lights (CFLs) have been widely marketed and sold throughout the world. However, a recent Xcel Energy program evaluation estimates that less than 20% of the sockets in the Xcel Energy service area have been filled with CFLs. That provides a substantial opportunity for continued energy savings in the area of home lighting. The Xcel Energy Home Lighting program addresses this by motivating customers to continue to install ENERGY STAR CFLs throughout the home, and to go beyond twist bulbs to install specialty ENERGY STAR CFLs.

Xcel Energy believes that are still three main market barriers to market adoption: performance, versatility, and price of the bulbs.

- Xcel Energy addresses the issue of performance barriers by promoting only ENERGY STAR CFLs that provide increased performance. The EPA has developed rigorous requirements for manufacturers to meet the ENERGY STAR requirements. Xcel Energy appreciates this process because ENERGY STAR CFLs provide faster start-up times, better light quality and a longer life. These elements make it easier for utilities to sell CFLs and provide substantially higher customers satisfaction.
- Xcel Energy tackles the issue of versatility by promoting a variety of CFLs including specialty bulbs including: floods, decorative, globes, 3-Way, dimmable and twists. Xcel Energy also promotes use of CFLs in specific applications like recessed cans and outdoors where bulbs are left on for a long period of time.
- To reduce the gap in price between CFLs and incandescent bulbs, Xcel Energy offers discount incentives on a myriad of CFLs including specialty bulbs. Xcel Energy provides discounts on CFLs at over 500 retail locations, on over 100 makes and models of ENERGY STAR CFLs in three states: CO, MN and NM.

Xcel Energy's goals for 2010 are to achieve 2.5 million in sales and 132 net generator GWhs in energy savings.

#### **B. Incorporation of the ENERGY STAR**

Xcel Energy developed a comprehensive promotional campaign using a variety tactics to promote ENERGY STAR CFLs. Xcel Energy included the ENERGY STAR logo or name

in the majority of materials or whenever space allowed. Xcel Energy spent over \$3 million dollars on advertising and promotion, in addition to another \$3 million on incentives in the past year. Xcel Energy promoted ENERGY STAR CFLs in television, radio, print, outdoor and on-line advertising, direct mail, bill inserts and point of purchase displays; in partnerships with the MN Twins, the CO Avalanche, Denver Nuggets and Domino's Pizza, social marketing, contests, email campaigns and over 250 local events. **In 2010, Xcel Energy focused on new and innovate ways to reach customers. Some of the unique promotions included:**

**Lights Out Lunch** campaign was developed in Colorado to raise awareness among consumers and businesses about small, easy actions they can take that collectively can have a large impact -- like turning off unnecessary lights and using ENERGY STAR compact fluorescent light bulbs. Anyone could participate in the program by simply shutting off their lights from Noon to 1 p.m. to conserve energy on 12/11/09. The Lights Out Lunch promotional campaign encompassed media relations, social media, grassroots street team efforts, and targeted outreach to more than 1,000 restaurants, businesses, government agencies, chambers of commerce and related organizations, and school districts and individual educational institutions.

**Minnesota Twins** ENERGY STAR CFL contest promotion took place 4/21/10. In honor of Earth Day, Xcel Energy gave away 40,000 ENERGY STAR CFLs to attendees of the MN Twins game. The promotion encouraged attendees to take the bulb home and install it; if it lit up red, blue or green, it is a winner. Contestants were eligible to win great MN Twins prizes including season tickets. The event is supported with radio advertising during the Twins games, in-stadium signage, announcements and brochures.

**Domino's Pizza – Xcel Energy partnership** delivered CFL bulbs to New Mexico customers' homes for six weeks. Each customer ordering a pizza through one of Domino's seven stores in the Xcel Energy service area received a free two-pack of CFLs delivered along with their pizza order. Xcel Energy advertised the promotion through a bill insert, signage, pizza box top flyer and social media. Domino's will deliver the CFLs free of charge and Xcel Energy will provide the bulbs and advertising. It was an extremely cost effective way to deliver CFLs. It is estimated that Xcel Energy will distribute up to 70,000 CFLs in the six week time period.

### **C. Market Effects**

The Home Lighting program has had a remarkable affect in MN and CO. Although CFL sales have declined in some areas of the US, the 2010 Xcel Energy CO market evaluation showed that sales of CFLs are continuing to rise substantially due to the Xcel Energy program.

In 2010, the Xcel Energy Home Lighting program will:

- Sell nearly three million CFLs
- Achieve 150 net generator GWh in energy savings
- Work with more than 500 retailers in three states
- Spend nearly \$3,000,000 in advertising and promotion
- Hold more than 250 local events

Xcel Energy will validate energy savings using a designated measurement and evaluation process that includes sales reports from the retailers, and an independent third party validation.