

*Commercial/Industrial HVAC and Other
Exemplary Program*

***Cool Choice
Northeast Energy Efficiency Partnerships, Inc. and its program sponsors***

PROGRAM OVERVIEW

Cool Choice is a marketing-based program for unitary commercial air conditioners and heat pumps meeting the efficiency specifications established by the Consortium for Energy Efficiency. The program is operated in six states through a common marketing and implementation contractor.

The program is very innovative in that a common program is being implemented across six states and a dozen program implementers. The program has also achieved at least a 10 percent market share for high-efficiency equipment and has played a substantial role in increasing manufacturer and purchaser interest in Tier 2 equipment. More than half of the incentives provided by the program are now for Tier 2 equipment. This is an important step for long-term market transformation success.

Cool Choice is developed, delivered, and administered by its sponsors. Northeast Energy Efficiency Partnerships, Inc. (NEEP) functions as coordinator of the sponsor groups. Cool Choice funding is provided by its sponsors, by way of system benefits portions of electric utility rates. Cool Choice sponsors are listed below.

- NSTAR Electric
- National Grid USA Companies
 - Massachusetts Electric
 - Narragansett Electric
 - Granite State Electric
- Efficiency Vermont
- Northeast Utilities
 - Connecticut Light and Power
 - Western Massachusetts Electric
- Burlington Electric Department
- Connectiv Power Delivery
- Public Service Electric & Gas
- Unitil
- United Illuminating
- Jersey Central Power & Light
- Fitchburg Gas & Electric
- Cape Light Compact

Cool Choice's methods are a full range of marketing tactics including education of HVAC contractors, personal outreach and support for contractors, customer awareness marketing, and customer rebates for qualifying equipment. All of these methods contribute to the program's goal of market transformation, which would in the ideal case be measured by

sustained market share. Unfortunately the only firm data available at this time is the numbers of rebated units. The sponsors are confident that there is increasing spillover into the rest of the market.

PROGRAM PERFORMANCE

Cool Choice is geared toward end-use customers using packaged single or split air conditioning or heat pump units, usually rooftop units (RTUs). The initiative covers New Jersey and four New England states: Vermont, Massachusetts, Rhode Island, and Connecticut. There are approximately one million commercial and industrial utility customers in the region. The initiative's strategy is to engage the region's 2,500 HVAC installation contractors, encouraging them to up-sell high-efficiency units to their customers when replacing failed units or for new applications. In addition, the sponsors promote high-efficiency HVAC directly to their C&I customers.

Approximately 920 customers have applied for HVAC equipment rebates through Cool Choice, which has identified and contacted over 2,500 HVAC contractors in the region.

LESSONS LEARNED

Program success takes more than just rebates; it requires persistence and a range of marketing tactics, including contractor outreach, contractor and customer education, technical resources, and information about the program and products targeted. Market players are actively engaged in the markets, and have the knowledge and experience to determine what program services will help them succeed. The players respond positively to clear and substantive messages from people they trust and respect—people they know they can count on when they need services and answers.

PROGRAM AT A GLANCE

Program Name: Cool Choice

Targeted Customer Segment: Commercial and industrial (non-residential) customers.

Program Start Date: Mid-1999

Program Participants: Approximately 920 customers have applied for HVAC equipment rebates through Cool Choice. Additionally, the program has contacted over 2,500 HVAC contractors in the region.

Approximate Eligible Population: One million C&I customers

Participation Rate

Following are data showing results of the rebate portion of Cool Choice.

Year	Tier 1 Units
2000	385
2001	719
2002 (Oct.)	719
Total Program	1,823

Year	Tier 2 Units
2000	478
2001	1,138
2002 (Oct.)	1,154
Total Program	2,770

Year	PTACs*
2000	1,189
2001	3,402
2002 (Oct.)	NA
Total Program	4,591

Year	Rebate \$
2000	\$523,232
2001	\$1,304,841
2002 (Oct.)	\$1,243,713
Total Program	\$3,071,786

* PTACs = packaged terminal air conditioners

Annual Energy Savings Achieved: Savings shown below are estimated according to rebate results.

Year	New kWh/yr Savings
2000	1,827,600
2001	3,929,000
2002 (Oct.)	4,786,000
Program Total	10,542,600

Peak Demand (Summer) Savings Achieved: Savings shown below are estimated according to rebate results.

Year	New kW Savings
2000	1,924
2001	3,518
2002 (Oct.)	4,227
Total Program	9,669

Budget: Figures shown under utility costs include program delivery costs, rebate dollars, and sponsor administration. Rebate levels are designed to cover 100 percent of incremental cost; therefore, customer cost is assumed to be nil.

Year	Utility Costs
2000	\$1,720,000
2001	\$2,293,300
2002 (projected)	\$2,176,700
2003 (Projected)	\$2,176,700

Funding Sources: Cool Choice is being developed, delivered, and administered by its sponsors. NEEP functions as coordinator of the sponsor groups. Cool Choice funding is provided by its sponsors, by way of system benefits portions of electric utility rates. Cool Choice sponsors are listed below.

- NSTAR Electric
- National Grid USA Companies
 - Massachusetts Electric
 - Narragansett Electric
 - Granite State Electric
- Efficiency Vermont
- Northeast Utilities
 - Connecticut Light and Power
 - Western Massachusetts Electric
- Burlington Electric Department

- Connectiv Power Delivery
- Public Service Electric & Gas
- Unitil
- United Illuminating
- Jersey Central Power & Light
- Fitchburg Gas & Electric
- Cape Light Compact

Best Person to Contact for Information about the Program

- Jonathan Linn, Program Manager
- Phone: 207-338-9705
- Fax: 207-338-9594
- Email: jlinn@acadia.net
- Postal address: NEEP, 212 Waterville Rd., Belfast, ME 04915
- URL: <http://www.coolchoice.net>