

Ohio Energy Efficient Appliance Rebate Program Executive Summary

The Ohio Efficient Appliance Rebate Program is one of several energy-related programs supported through the American Recovery and Reinvestment Act and administered by the Ohio Department of Development's Energy Office. The goal is to spur interest and sales of selected ENERGY STAR[®] qualified appliances in the State of Ohio, provide a smooth and transparent customer-focused experience for Ohio residents when they purchase, reserve, and redeem their rebate, and reduce energy use and emissions. The level of funding allocated to the State of Ohio is \$11,020,000.

On October 15, 2009, the State of Ohio filed its plan for use of the \$11 million. The intent is to provide Ohio residential consumers with rebates on ENERGY STAR[®] qualified refrigerators, clothes washers, dishwashers, hi-efficiency gas storage water heaters, and electric heat pump water heaters that will replace old inefficient appliances to help Ohio consumers to lower their energy and water bills.

Based on Ohio's proposed plan, the state expects to replace over 89,000 inefficient appliances with more efficient appliances. These replacements are estimated to reduce annual energy consumption by 11,656,501 kilowatt-hours, and 449,755 therms, and reduce water consumption by 175,652,211 gallons annually. This program will also increase awareness of the ENERGY STAR[®] qualified products.

Table 2. Program Timeline and Milestones

| Program Milestones | Target Date |
|---|--------------------------------|
| Proposed program submitted to the United States Department of Energy and it outlines products, levels, budgets, and program roll out date | October 15, 2009 |
| Program launched to public | First Quarter 2010 |
| End promotion | When rebate funds are depleted |

I. Rebate Levels and Eligible Appliances

| Products to be Rebated | Rebate Level (\$) | Targeted Quantity (Units of Appliances) | Total Cost |
|---------------------------------|-------------------|---|---------------------|
| Refrigerator | \$100 | 26,172 | \$2,617,200 |
| Clothes Washer | \$150 | 24,428 | \$3,664,200 |
| Dishwasher | \$100 | 20,938 | \$2,093,800 |
| Hi-Efficiency Gas Water Heater | \$100 | 15,703 | \$1,570,300 |
| Electric Heat Pump Water Heater | \$250 | 2,094 | \$523,500 |
| Total Rebates | | 89,335 | \$10,469,000 |

II. Program Implementation Strategy

The program will be managed by the State of Ohio (the state) through Ohio Energy Office in the Ohio Department of Development. The State of Ohio will subcontract delivery of the program to a third party that will process the rebates and the track budget balances, and rely on earned media and in-kind marketing support from retailers, manufacturers, and utilities to promote the program. The State of Ohio will also establish the requirements, including appliance replacement and proper disposal/recycling, and the data that will be collected on the rebate form which will be reserved on-line and mailed-in and processed. The third-party administrator will be monitored by the state to provide quality assurance. A list of recommended/ approved recyclers will be provided to retail partners and consumers.

Program partners include appliance retailers, manufacturers, and utilities. The State of Ohio will be working with many of Ohio's utilities, including Duke Energy, AEP-Ohio, FirstEnergy, Dayton Power & Light, Vectren, Dominion, Columbia, and AMP-Ohio.

State of Ohio expects to launch the program in the first quarter of 2010. This will allow enough time for the United States Department of Energy to approve the program and for the State of Ohio to secure a third party rebate processor through a competitive solicitation.

Processing Rebates

Consumers should expect to receive rebates in a timely fashion from a predetermined third party administrative rebate processor. Processing times are estimated to take between four to six weeks. Rebate payment processing will be performed via a mail-in rebate, which will be mailed back to the consumer in the form of check, or prepaid checking card (e.g. Visa® or Mastercard®).

The State of Ohio will select a third-party administrator who will handle the rebate processing requests as well as customer service and customer inquiries.

Rebates will allow for on-line reservations at the either the point of sale, or at the consumer's home or other internet connection through a secure portal that will track and inform consumers of remaining budgets.

Disposal or Recycling of Old Appliances

Old appliances must be collected and hauled away for proper disposal or recycling in accordance with all federal and state regulations. A list of recommended recyclers will be provided by the state.

Marketing and Outreach

The Ohio Department of Development is currently an ENERGY STAR® partner and intends to utilize ENERGY STAR® materials in all possible situations.

The State of Ohio will establish an outreach and marketing campaign as follows:

1. The State of Ohio will issue press releases at the time of Ohio's application, approval, near the time the program will become available to residential consumers, and when funds are nearing depletion. The state will update its American Recovery and Reinvestment Act (ARRA) energy related website, located at: <http://www.development.ohio.gov/recovery/EnergyStarProgram.htm> when additional information becomes available. The State of Ohio will also use traditional media.
2. Advertising, marketing, and outreach will be provided through participating program retailers, manufacturers, and utilities. Once the state's program has been approved by the United States Department of Energy and eligibility rules and application process have been finalized, retailers will be able to advertise through traditional media (radio, TV, print media, etc.) to inform the consumer of the program rebates prior to the program's launch date which is slated for President's Day weekend release. Retailers and manufacturers will also provide point of purchase materials to promote the program. Outreach from utility companies is expected to inform consumers by attaching a leaflet in their customer's bills prior to the start date of the program.

III. Oversight and Reporting

Ohio will enter into a contract with the selected third party rebate processor and will stipulate in the contract the oversight mechanisms reserved by the State. To minimize fraud, the rebate form will capture each customer's electric and natural gas utility provider. Ohio will require retailers to request Ohio Identification be presented at the time of purchase to ensure customers are in fact Ohio residents. Ohio will work with retailers and utilities to ensure appliances are collected and disposed of or recycled properly and are for replacement of existing appliances only.

As required by the federal government, the State of Ohio will submit regular reports on progress for all activities. The report may include the following metrics:

- *Total Number of State Rebates Paid*
The State of Ohio must track rebates paid monthly for each category of appliances selected.
- *Total Number of other State/Utility Rebates Paid*
Based on the offering of other state and utility programs in Ohio, the State of Ohio must report the rebates actually paid to consumers by other state or utility programs.
- *Total Number of Appliances Recycled*
The State of Ohio should provide information on the type of appliances recycled.
- *Number of Jobs Created*
For all project types, the number of jobs that are created or retained during the reporting period should be reported; each job should only be reported once.
- *Estimated Energy Saved and CO₂ emissions avoided*
The states may provide the interim estimated benefits due to the rebates provided. This primarily takes the form of annual energy savings and CO₂ abatement due to activity in the period. For example, if 1000 rebates were delivered in the quarter, the state will report the expected annual savings due to the appliances sold. The reporting framework will include an estimate calculation of kilowatt-hour (kWh), BTU saved and CO₂ for each specific appliance. The State of Ohio may report this value or values based on its own methodology, with justification and approval.