

**Central Hudson Gas & Electric, Corp.
Energy Efficiency Program Portfolio
Implementation, Marketing, Outreach & Education Plan
Authorized Programs for 2012 - 2015**

Table of Contents:

1. Introduction	1
2. Overall Program Annual & Cumulative Budgets & Energy Savings Goals.....	2
3. Residential HVAC Program (Electric).....	4
4. Small Business Program.....	18
5. Mid-Size Business Program	29
6. Residential Appliance Recycling Program	39
7. Home Energy Reporting Program	60
8. Residential HVAC Program (Gas).....	65
9. Commercial Natural Gas Program.....	80

1. Introduction

In compliance with the “Order Authorizing Energy Efficiency Programs, Revising Incentive Mechanism, and Establishing a Surcharge Schedule (Issued and Effective October 25, 2011), as directed in Ordering Clauses 3, 9, and 10, Central Hudson submits the following implementation plan in this compliance filing describing in detail how the individual Energy Efficiency programs will operate, including customer participation goals, eligible measures, enrollment procedures, contractor training plans, marketing plans, evaluation and quality assurance plans.

Included in this compliance filing are program budgets broken into the required budget categories as provided by Staff via e-mail and letter (dated January 19, 2010). Also included in this implementation plan are program energy savings, as set forth as targets in the October 25, 2011 Order.¹

¹ In addition to the authorized budgets and savings targets from the October 25, 2011 Order, Central Hudson’s Home Energy Reports programs (electric and gas) were authorized for calendar year 2012 in the Order on Rehearing and Granting Petition for Rehearing, Issued and Effective December 3, 2010. 2012 Budgets and targets for this program have been included in this filing for completeness. The 2012 budgets in this document differ from that in the approving Order. These expenditures are based on the schedule and original implementation plan of this program, which included more spending in year 2011,

2. Overall Program Annual & Cumulative Budgets & Energy Savings Goals²

Electric Programs

Below, please find Table 1 showing the annual and cumulative budgets for 2012-2015 for Central Hudson's electric program portfolio as a whole:

Table 1: Electric Portfolio Budgets

Program	2012	2013	2014	2015	Total
Residential HVAC	\$847,456	\$847,456	\$847,456	\$847,456	\$3,389,824
Small Business	\$4,498,193	\$4,498,193	\$4,498,193	\$4,498,193	\$17,992,772
Mid-Size Business	\$1,217,931	\$1,217,931	\$1,217,931	\$1,217,931	\$4,871,724
Residential Appliance Recycling	\$1,016,571	\$1,016,571	\$1,016,571	\$1,016,571	\$4,066,284
Home Energy Reporting	\$157,973	\$415,500	\$415,500	\$415,500	\$1,404,473
Total	\$7,738,124	\$7,995,651	\$7,995,651	\$7,995,651	\$31,725,077

Below, please find Table 2 showing the annual and cumulative MWh targets for 2012-2015 for Central Hudson's electric program portfolio as a whole:

Table 2: Electric Portfolio Targets (MWh)

Program	2012	2013	2014	2015	Total
Residential HVAC	522	522	522	522	2,088
Small Business	16,495	16,495	16,495	16,495	65,980
Mid-Size Business	2,791	2,791	2,791	2,791	11,164
Residential Appliance Recycling	2,226	2,226	2,226	2,226	8,904
Home Energy Reporting	6,000	6,000	6,000	6,000	24,000
Total	28,034	28,034	28,034	28,034	112,136

and less in 2012. The total 2011-2012 cumulative budgets for the program and energy savings are the same as those in the Order. See Section 7.1 for further detail.

Natural Gas Programs

Below, please find Table 3 showing the annual and cumulative budgets for 2012-2015 for Central Hudson's natural gas program portfolio as a whole:

Table 3: Natural Gas Portfolio Budgets

Program	2012	2013	2014	2015	Total
Residential HVAC	\$380,724	\$380,724	\$380,724	\$380,724	\$1,522,896
Small & Mid-Size Business	\$156,900	\$156,900	\$156,900	\$156,900	\$627,600
Home Energy Reporting	\$59,324	\$138,500	\$138,500	\$138,500	\$474,824
Total	\$596,948	\$676,124	\$676,124	\$676,124	\$2,625,320

Below, please find Table 4 showing the annual and cumulative Dekatherm targets for 2012-2015 for Central Hudson's natural gas program portfolio as a whole:

Table 4: Natural Gas Portfolio Targets (Dekatherms)

Program	2012	2013	2014	2015	Total
Residential HVAC	15,097	15,097	15,097	15,097	60,388
Small & Mid-Size Business	2,199	2,199	2,199	2,199	8,796
Home Energy Reporting	10,000	10,000	10,000	10,000	40,000
Total	27,296	27,296	27,296	27,296	109,184

3. Residential HVAC Program (Electric)

Table 5: Residential HVAC Energy Savings Targets

Year	2012	2013	2014	2015	Total
MWh Targets	522	522	522	522	2,088

Table 6: Estimated Annual Customer Participation - Residential HVAC Equipment Installations

Measure Type	Description	Year	Installations
Central Air Conditioner	A whole house central air conditioning system meeting program efficiency requirements.	2012	500
		2013	500
		2014	500
		2015	<u>500</u>
		Total	2,000
Central Air-Source Heat Pump	A whole house central Air source heat pump system meeting program efficiency requirements.	2012	500
		2013	500
		2014	500
		2015	<u>500</u>
		Total	2,000
Duct and Air Sealing	Blower Door and Duct Blaster assisted sealing by certified contractor	2012	40
		2013	40
		2014	40
		2015	<u>40</u>
		Total	160
ECM	A forced air fan powered by an electronically commuted motor installed with a qualifying furnace under the natural gas portion of the program.	2012	225
		2013	225
		2014	225
		2015	<u>225</u>
		Total	900
Electric HP Water Heater	Heat pump water heater meeting program efficiency requirements.	2012	150
		2013	150
		2014	150
		2015	<u>150</u>
		Total	600
Programmable Thermostat	Setback thermostat installed with a heating or cooling system under this program.	2012	600
		2013	600
		2014	600
		2015	<u>600</u>
		Total	2,400
Compact Fluorescent Lamp (CFL)	Compact fluorescent lamps given to selected customers including participants of this program.	2012	2,500
		2013	2,500
		2014	2,500
		2015	<u>2,500</u>
		Total	10,000

Other Measures	Additional program measures to be incorporated under the EEPS flexibility guidelines to enhance program offerings and meet changing market conditions.		
----------------	--	--	--

3.1 Annual energy savings and budgets by spending category including descriptions of expenditures within each category

Table 7: Annual budgets by spending category - Residential HVAC Program (Electric)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2012 - 2015</u> <u>Total</u>
General Administration	\$83,756	\$83,756	\$83,756	\$83,756	\$335,024
Program Marketing	\$40,831	\$40,831	\$40,831	\$40,831	\$163,324
Trade Ally Training	\$25,127	\$25,127	\$25,127	\$25,127	\$100,508
Incentives & Services	\$552,325	\$552,325	\$552,325	\$552,325	\$2,209,300
Direct Program Implementation	\$115,164	\$115,164	\$115,164	\$115,164	\$460,656
Program Evaluation	\$40,254	\$40,254	\$40,254	\$40,254	\$161,016
Total	\$857,456	\$857,456	\$857,456	\$857,456	\$3,429,824

3.2 Eligible measures and associated customer incentives

Current Incentives

Below, please find Table 8 showing current incentive schedule for eligible measures in the Residential Electric HVAC Program, consistent with the approved levels for 2009-2011. These incentive levels are expected to be maintained throughout the first quarter of 2012.

Table 8: Residential HVAC Program Incentives to Participating Customers

Equipment Type	Minimum Performance	Incentive
Central Air Conditioner	T1: SEER \geq 15 / EER \geq 12.5 Plus "Quality Installation"	\$400
	T2: SEER \geq 16 / EER \geq 13.0 Plus "Quality Installation"	\$600

Central Air-Source Heat Pump	T1: SEER \geq 15 / EER \geq 12.0 / HSPF \geq 8.5 Plus "Quality Installation"	\$400
	T2: SEER \geq 16 / EER \geq 13.0 / HSPF \geq 9.0 Plus "Quality Installation"	\$600
Duct and Air Sealing	Blower Door and Duct Blaster assisted sealing by certified contractor	\$600
ECM	Installed on a furnace	\$200
Electric HP Water Heater	EF = 2.0	\$400
Programmable Thermostat	Installed w/ qualified heating or cooling system	\$25

"Quality Installation" is defined as an installation by a BPI-certified contractor and documentation that a ACCA Manual J calculation has been completed to determine the proper size of the installed central air conditioning equipment makes the contractor eligible for an incremental financial inducement of \$200.

Proposed Changes to Incentives

Central Hudson is in the process of re-evaluating the measure offerings and rebate levels for this program. The current rebate levels will be maintained through the first quarter of 2012 to allow adequate time to design a new incentive schedule, seek approval from the Director of the Office of Energy Efficiency and the Environment through the program flexibility protocols, develop new rebate forms and program informational materials, and train trade allies on the program changes. Central Hudson plans to revise the program's incentives for the following reasons:

- To create a better alignment of program incentive spending and associated savings. Rebate levels will be evaluated on a \$/kWh basis in order to most effectively meet program goals using the incentive budget available.
- To adapt to the availability of more efficient equipment from distributors and installers. Rebates will encourage customers to purchase and install the most energy efficient equipment available.³
- To promote & sell measures with the highest energy savings by providing a higher incentive to customers.
- Eliminating measures that do not have a high potential to generate savings due to relatively low efficiency levels, high cost, or lack of customer interest.

3.3 TRC Cost Benefit Testing

Central Hudson has conducted a preliminary Total Resource Cost test for this program in year 2012 at the approved budgets and estimated energy savings. This program passes the TRC test with a score of 1.1

³ The Consortium of Energy Efficiency's (CEE) High-Efficiency Specification
Central Air Conditioners and Air Source Heat Pumps Major manufacturers now commonly offer whole house HVAC systems with efficiency ratings in excess of SEER 20 and HSPF 10.

3.4 Customer Outreach and Education/Marketing

In compliance with the “Order Authorizing Efficiency Programs, Revising Incentive Mechanism, and Establishing a Surcharge Schedule” (Issued and Effective October 25, 2011), as directed in Ordering Clause 3, in this implementation plan, Central Hudson is including the following information related to marketing in this section:

- (a) Specific budget amounts for each individual element of the outreach and education/marketing budget for each year of the program;

The outreach and education/marketing budget of the Residential Electric program is shown in Table 9.

Table 9: Residential Electric Program Marketing Budget

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2012 - 2015</u> <u>Total</u>
Program Marketing	\$40,000	\$40,000	\$40,000	\$40,000	\$160,000

These marketing costs are direct program costs and will be implemented to include the following items and quantities per year as shown in Table 10. The tactics in Table 10 are those that equal \$160,000 for the approved budget.

Table 10: Residential Electric Program Direct Marketing Costs

	2012	2013	2014	2015	Total
Bill inserts	\$2,225	\$2,225	\$2,225	\$2,225	\$8,900
Brochures	\$4,000	\$4,000	\$4,000	\$4,000	\$16,000
Program promotional items	\$1,775	\$1,775	\$1,775	\$1,775	\$7,100
Energy kits in education	\$7,000	\$7,000	\$7,000	\$7,000	\$28,000
Direct mail	\$11,000	\$11,000	\$11,000	\$11,000	44,000
Email blasts	\$0	\$0	\$0	\$0	\$0
Trade Ally newsletters	\$0	\$0	\$0	\$0	\$0
Co-branded promotions	\$14,000	\$14,000	\$14,000	\$14,000	\$56,000
Trade Ally events/training	\$0	\$0	\$0	\$0	\$0
Social media	\$0	\$0	\$0	\$0	\$0
Total	\$40,000	\$40,000	\$40,000	\$40,000	\$160,000

- (b) A list and description of the outreach and education/marketing vehicles to be used;

The below list of outreach and education/marketing vehicles will be used to promote this program and recruit customers to add energy efficient electric measures and/or upgrade to energy-efficient electric equipment:

➤ **Bill Inserts**

Utility bill inserts continue to be the most productive and cost-effective method of motivating customers to participate, and they are an essential part of program sponsorship. Response rates range between 3 and 8%, which is very good when considering that these go to more than 250,000 customers.

➤ **Brochures**

Central Hudson designs and prints **brochures** and flyers that are handed out at Central Hudson's energy efficiency events. These brochures are also handed out by Trade Allies and inserted into residential packets, giveaways and press kits. The line item for brochures includes layout, design, file conversions, and printing costs.

➤ **Program promotional items**

Central Hudson uses promotional items to give away at all kinds of events where program administrators meet customers face-to-face (fairs, shows, seminars, presentations, etc.). These items include energy kits, smart strips, energy efficient night-lights, compact fluorescent bulbs, Kill-A-Watt energy detectors, and items that direct customers to visit www.SavingsCentral.com and promote the efficient use of electricity.

➤ **Energy kits in education**

Central Hudson is looking to work with a program partner to introduce 5th or 6th graders at public school to using electric energy efficiently at home. As part of a pre-planned school unit on energy efficiency, students, teachers and parents use age-specific curricula to learn about energy efficiency. Students also take home and seek to install items such as low-flow showerheads, compact fluorescent bulbs, etc.

➤ **Email**

Email blasts are a cost-effective approach to marketing energy efficiency to residential customers. Central Hudson's email blast service also has the advantage of tracking if and when customers open and click the message. Recipients also have the option of opting out at any time. As Central Hudson gathers more email addresses and takes advantage of customer relationship management (CRM) tools, it can take advantage of program-specific targeted emails.

➤ **Trade Ally newsletters**

Since Trade Allies are on the front lines when dealing with customers, regular communication with them is essential for this program. In addition to day-to-day interaction, Central Hudson sends monthly newsletters through email and regular mail. These communiqués include notification about coming events, highlighted energy efficiency measures, program

changes, programmatic reminders and ideas for promoting energy efficiency.

➤ **Direct Mail**

Direct mail has been an effective marketing tactic to reach residential customers and explain how they can take advantage of rebates for purchasing new, energy-efficient equipment. Brief messages, reminders and announcements of new program offerings are appropriate for postcards, which have been effective.

➤ **Co-branded promotions**

Central Hudson may team up with larger retail outlets such as Sears or Lowe's, brands such as Carrier, and individual Trade Allies with budgets for co-branding to promote individual pieces of equipment such as air-source heat pumps, central air conditioners and heat pump water heaters. This co-branding may include joint advertising, direct mail, email and other marketing and outreach tactics.

➤ **Trade Ally events/training**

Central Hudson presents dealer days, breakfasts, meetings and other events to meet with Trade Allies and promote rebates and promotions with individual energy efficiency measures. Central Hudson sometimes uses these events to train Trade Allies; and training may involve hands-on teaching on high-efficiency equipment.

➤ **Social Marketing**

Social media is media disseminated through social interaction using highly accessible scalable publishing techniques, which utilize modern resources such as the Internet, blogs and viral marketing tactics. Successful social marketing tactics may be handled and monitored by Central Hudson's Corporate Communications Department. Central Hudson regularly posts on Facebook details of energy efficiency rebates and offers for residential customers.

The target customer market for the Residential Electric program is all residential customers.

The Central Hudson marketing plan includes:

3.4.1 Overall Messaging

The overall messaging for the Residential Electric marketing will be consistent with Central Hudson's utility branding and emphasize that this program is another way Central Hudson helps customers reduce their energy bills. Key benefits for homeowners include:

[illegible]

Promotional items												
Energy kits in education												
Email blasts												
Trade Ally newsletters												
Direct mail												
Co-branded promotions												
Trade Ally events/training												
Social media												

- (e) How the outreach and education/marketing plans relate to the company's general outreach and education/marketing plans:

The Residential Electric marketing budget is separate, distinct, and incremental from Central Hudson's general marketing program. Where possible, Central Hudson's general marketing messaging will include energy efficiency program information and/or links.

- (f) The efforts that will be undertaken to minimize any overlap and/or customer confusion that may result from outreach and education/marketing activities in the same or adjacent market areas.

In order to minimize overlap and customer confusion, Central Hudson has developed collaborate relationships with various entities, including neighboring utilities and NYSEERDA, and refers both customers and contractors accordingly. In addition, Central Hudson continues to develop its websites www.SavingsCentral.com and www.CentralHudson.com, which directs customers and contractors to the correct sector and available service.

3.5 Descriptions of roles and responsibilities of the utility and all program contractors

Central Hudson staff will administer the program utilizing an implementation contractor. In conjunction with the implementation contractor, Central Hudson will perform marketing activities, trade ally recruitment, customer screening and enrollment, and program tracking. The implementation contractor will be mainly responsible for retailer management, trade ally training, reporting, rebate processing, manage an Energy Efficiency call center, and program closeout.

Central Hudson will be responsible for all reporting to Staff including monthly scorecard, quarterly scorecard, and annual reporting. A separate contractor will be used to perform a process evaluation of the program. An additional evaluation contractor may need to be contracted for impact evaluation or Central Hudson may jointly procure an impact evaluator with NYSEERDA and the other utilities in the State as discussions continue during the Evaluation Advisory Group meetings.

Central Hudson may contract with other marketing, engineering and evaluation firms when deemed necessary and within the allowable program budget.

Central Hudson is currently researching a system wide tracking system in which each implementation contractor will submit program information on an on-going basis. By having one centralized system, Central Hudson will be able to generate automatic reporting that is easier and more accurate.

3.6 *Procedures for customer enrollment*

Customer enrollment will be performed through the trade ally chosen by the customer or through the customer call center as follows:

Customer Call Center

There will be telephone access for all persons who call the Central Hudson's Call Center. The majority of calls will be from program participants while a fair number will also be from retailer contacts. All calls to Central Hudson's Energy Efficiency Call Center will be handled by knowledgeable Customer Service Representatives (CSR's) who understand and have access to current program information and offerings. These individuals will provide the first level of support, often being the only point of contact that the customer requires.

Callers will be greeted by live operators Monday through Friday. Staffing levels and hours of coverage will be adjusted to meet campaign needs or as other factors affecting call volumes and times warrant. After-hour callers will be greeted by an automated response that will provide the website address and information about normal business hours and allowing them to leave a message requesting a call back on the next business day.

Internal quality assurance audits will be conducted by listening in on randomly-selected calls, both announced and unannounced to the CSR, and by conducting weekly analysis of call volumes and other metrics handled by each CSR, as well as such metrics as abandoned calls and escalated calls.

Screening Process

Call Center representatives will verify customer eligibility by one or more of the following

- Asking for Central Hudson account number
- Asking for home address
- Determining the type of HVAC equipment in use at the site

Documentation and Tracking

All calls from customers and contractors, in all programs, will be electronically documented and tracked in tracking database software, which will then be uploaded to Central Hudson's program database.

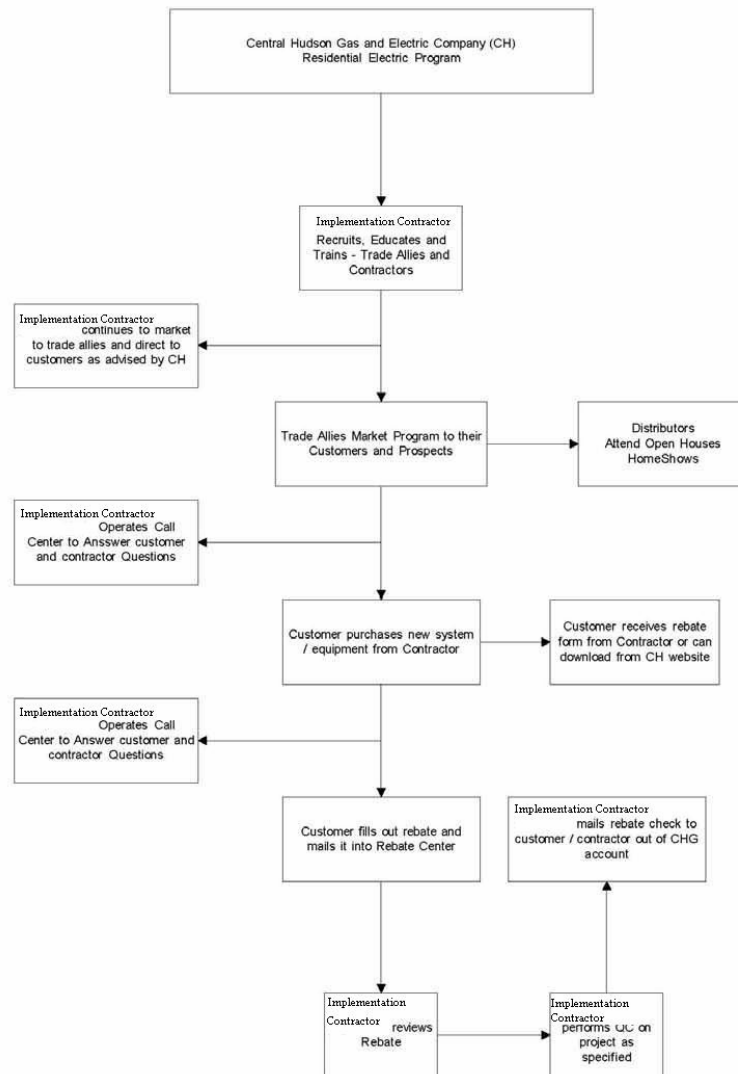
Referrals to Other Programs

Call Center representatives will be fully trained to guide customers and contractors to energy efficiency programs that may be relevant to them and that are outside the scope of these particular programs. The representatives will be able to supply, over the phone, the minimum contact information needed to reach the managing agency including NYSERDA and other utilities in New York State.

Trade Ally

The customer will be driven to our website through marketing outreach through newspaper ads, bill inserts, television commercials, etc. Participants can choose a trade ally of their choice through a network of qualified insured installers that have gone through approval by Central Hudson.

Program Flow Chart



3.7 *Training for retail partners*

Central Hudson may team up with larger retail outlets such as Sears or Lowe's, brands such as Carrier, and individual Trade Allies with budgets for co-branding to promote individual pieces of equipment such as air-source heat pumps, central air conditioners and heat pump water heaters. This co-branding may include joint advertising, direct mail, email and other marketing and outreach tactics.

3.8 *Contractor training and program orientation plan*

Recruitment

Communication methods to recruit contractors include email, telemarketing, direct sales and web bulletins posted. Additional direct selling and marketing efforts will be used to recruit qualified contractors.

Central Hudson will host Contractor Recruitment Seminars as needed to meet program goals and requirements. Breakfast and lunch seminars will be held at local restaurants, hotels, or on Central Hudson property. Interested contractors can attend to find out more about the program and receive information on training, rebates, how program participation can grow their business and information on the sales support tools that will be made available to them.

Identified organizations include:

- NECA (National Electrical Contractors Association)
- Construction Contractors Association
- Putnam County Electrical Contractors Association
- Plumbing & Mechanical Contractors Association of the Hudson Valley
- Local 21 Union

Ongoing Support

Once a contractor has signed a participation agreement to perform work in accordance with the Central Hudson program, Central Hudson will provide the contractor with additional training seminars, on-site demonstrations, selling tools, and free listings for their company on Central Hudson's website. Contractor development is an ongoing process in which Central Hudson's field personnel provides continued support through regular contact via in-person visits, email, and telephone to ensure that contractors are successful in the program.

Central Hudson's experience has shown that to be effective, initiatives designed to change the behaviors through a combination of marketing, education, and incentives, require a holistic, systematic approach. A successful vendor is a partner to the energy efficiency program, and a partner whose team possesses a clear strategy that all stakeholders believe will achieve the desired outcome. This partnership must be able to develop the tactics to implement that strategy.

Central Hudson's experience has shown that to be effective, initiatives designed to change the behaviors through a combination of marketing, education, and incentives require a holistic, systematic approach. A successful vendor is a partner to the energy efficiency program, and a partner whose team possesses a clear strategy that all stakeholders believe will achieve the desired outcome. This partnership must be able to develop the tactics to implement the strategy.

Recognition

At the end of each year, a recognition/award program will be put in place to promote successful contractors. Announcements of recipients will be sent to trade journals and local newspapers.

3.9 *Contact information for customer inquiries and complaints*

Customers will be able to contact Central Hudson representatives via a toll-free hotline. Program success hinges not only on performance in the field during program delivery, but also on the quality and responsiveness of pre- and post-implementation customer services. While the entire quality assurance philosophy is centered on doing the job right the first time and every time, it is acknowledged from experience that unforeseen situations can occur. Central Hudson is fully prepared to respond to these with the goal to try and minimize the customer inconvenience from the program in any way. Central Hudson will make every attempt to resolve service deficiencies, ensuring satisfaction of the customer. All documentation related to customer comments, complaints, and complaint resolution will be kept on file.

3.10 *Quality assurance plan*

Central Hudson possesses the following assets, which will lead to a successful implementation of these programs in our service territory:

- Experienced staff in place throughout the region;
- Access to qualified contractors in these marketplaces;
- In place quality control procedures and guidelines

The purpose of the inspection process is to assure that the equipment specified on the application is installed and operational as required. While the 10% of completed applications target was determined to provide an overall sampling, inspection selections are made strategically. Contractors applying for the first 4 rebates or where there is some other reasonable question as to the data provided on the applications selected first. The remainder of the inspections will be scheduled to meet the 10% target and will be selected randomly.

Quality deficiencies must be handled sensitively as not to disrupt relationships between trade allies and their customers. If a serious deficiency which may put a customer at risk (gas leaks, carbon monoxide issues, electrical code violations, etc.) is discovered, a Central Hudson representative will immediately notify the customer of the situation and in most cases remain on site until it is assured that corrective actions are in process. Minor deficiencies will be reported to the contractors first, in order for them to have the opportunity to make corrections. Follow up phone calls will be made to customers who have minor deficiencies in order to ensure that corrective actions have been addressed by the trade ally. Central Hudson will monitor and report deficiencies in order to provide continuous contractor feedback. Central Hudson will work to determine protocols for a contractor that needs to be removed from program participation based on poor performance.

Where installation practices are of concern, the inspector can verify that these have been carried out properly. For example, inspectors will attempt to verify if a Manual J Cooling Load Calculation was completed for proper sizing. The inspector will not dismantle, disconnect, or perform invasive tests on equipment.

All rebate applications will be scrutinized to ensure that equipment specification meet program guidelines. As the program matures Central Hudson will monitor and recommend modifications to the specifications based on customer saturation and advanced in technologies.

3.11 Coordination with other New York energy efficiency programs

Central Hudson is an active participant on the Energy Efficiency Program Administrator Collaborative (EEPAC) with NYSERDA and the other New York State utilities. Central Hudson is an active participant on the Steering Committee and working groups discussing double dipping / counting, referrals, contractor qualifications, training, and collaborative outreach.

Central Hudson has participated in numerous conference calls and meetings with the other utilities in New York State to discuss program operation and structure to minimize market confusion and promote best practices.

3.12 Evaluation plan

A process evaluation report for this program is currently undergoing final revisions before being submitted to DPS Staff. A revised impact evaluation plan is under development to include additional evaluation activities currently planned for 2012 – 2015.

4. Small Business Program

4.1 *Cumulative and annual budgets, energy savings, and customer participation goals*

Table 12: Estimated Annual Customer Participation - Small Business Projects

Measure	Year	Projects	MWh/yr Saved (Net)
Commercial Customer Participation	2012	900	16,495
	2013	900	16,495
	2014	900	16,495
	2015	900	16,495
	Total	3,600	65,980

4.2 *Annual budgets by spending category including descriptions of expenditures within each category*

Table 13: Annual budgets by spending category – Small Business Program (Electric)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2012 - 2015 Total</u>
General Administration	\$240,000	\$240,000	\$240,000	\$240,000	\$960,000
Program Marketing	\$50,000	\$50,000	\$50,000	\$50,000	\$200,000
Trade Ally Training	\$20,000	\$20,000	\$20,000	\$20,000	\$80,000
Incentives & Services	\$3,763,284	\$3,763,284	\$3,763,284	\$3,763,284	\$15,053,136
Direct Program Implementation	\$200,000	\$200,000	\$200,000	\$200,000	\$800,000
Program Evaluation	\$224,909	\$224,909	\$224,909	\$224,909	\$899,639
Total	\$4,498,193	\$4,498,193	\$4,498,193	\$4,498,193	\$17,992,772

4.3 *TRC Cost Benefit Testing*

Central Hudson has conducted a preliminary Total Resource Cost test for this program in year 2012 at the approved budgets and estimated energy savings. This program passes the TRC test with a score of 2.2

4.4 Eligible measures and associated customer incentives

The Small Business Program fixed incentive structure covers 60 percent of the cost of each lighting project. Each customer site will be given a unique project scope based on the facility and specific lighting needs. Common measures to be installed by eligible customers in the Small Business Direct Installation program include:

- T-12 to T-8 Replacements and Retrofits
- Reflectors and De-Lamping
- LED Exit Signs
- Metal Halide to High-Bay T-5 Replacements
- Pin-Based and Screw-In CFLs
- LED Down Lamps

Central Hudson will evaluate additional commercial measures for inclusion in this program, as per the EEPS flexibility protocols & communication w/ DPS Staff. Potential future measure offerings include:

- HVAC Systems
- Refrigeration
- Additional Lighting Measures such as outdoor lighting
- Motors & Drives
- Custom

4.5 Customer Outreach and Education/Marketing

In compliance with the “Order Authorizing Efficiency Programs, Revising Incentive Mechanism, and Establishing a Surcharge Schedule” (Issued and Effective October 25, 2011), as directed in Ordering Clauses 9 and 10, in this implementation plan, Central Hudson is including the following information related to its marketing in this section:

- (a) Specific budget amounts for each individual element of the outreach and education/marketing budget for each year of the program;

The outreach and education/marketing budget of the Residential Appliance Recycling program is shown in Table 14.

Table 14: Small Business Program Marketing Budget

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2012 - 2015</u> <u>Total</u>
Program Marketing	\$50,000	\$50,000	\$50,000	\$50,000	\$200,000

These marketing costs are direct program costs and will be implemented to include the following items and quantities per year as shown in Table 15. The tactics in Table 15 are those that equal \$200,000 for the approved budget.

Table 15: Small Business Program Direct Marketing Costs

	2012	2013	2014	2015	Total
Flyers, testimonials and brochures	8,500	8,500	8,500	8,500	\$34,000
Direct mail	20,000	20,000	20,000	20,000	\$80,000
Email	1,000	1,000	1,000	1,000	\$4,000
Chamber outreach	8,000	8,000	8,000	8,000	\$32,000
Seminars and business open houses	1,500	1,500	1,500	1,500	\$6,000
CRM	11,000	11,000	11,000	11,000	\$44,000
Social media	0	0	0	0	0
News releases	0	0	0	0	0
Direct installer outreach	0	0	0	0	0
Total	\$50,000	\$50,000	\$50,000	\$50,000	\$200,000

- (b) A list and description of the outreach and education/marketing vehicles to be used;

The below list of outreach and education/marketing vehicles will be used to promote this program and recruit customers to recycle or upgrade their appliances to efficient equipment:

➤ **Flyers, Testimonials and Brochures**

In marketing to businesses, Central Hudson has found that **customer testimonials** (printed and online versions) are effective in persuading customers about the benefits of energy efficiency improvements. Testimonials also present the project cost and savings in clear terms and illustrate the measures. In addition, Central Hudson designs and prints **rack cards, brochures** and **flyers** that are handed out at Central Hudson's business seminars, presentations and chamber of commerce events. These brochures are also inserted into business packets, giveaways and press kits. The line item for flyers, posters and brochures includes layout, design, file conversions, and printing costs.

➤ **Direct Mail**

Direct mail has been an effective marketing tactic to reach business customers and explain how easy it is to have a refrigerator picked up and recycled. Brief messages, reminders and announcements of new program offerings are appropriate for postcards, which have been effective. Direct

mail letters are more personalized and can be used to describe specific offers targeted to specific kinds of business and commercial customers.

➤ **Email**

Email blasts are a cost-effective approach to marketing energy efficiency to non-residential customers. Central Hudson's email blast service also has the advantage of tracking if and when customers open and click the message. Recipients also have the option of opting out at any time. As Central Hudson gathers more email addresses and takes advantage of customer relationship management (CRM) tools, it can take advantage of program-specific targeted emails.

➤ **Chamber Outreach**

Central Hudson maintains memberships in the larger chambers of commerce and individual contacts with most of the smaller, local chambers. Chambers of commerce are uniquely aligned with Central Hudson's business energy efficiency programs because they are constantly looking for programs and methods for members to lower overhead costs and operate more efficiently. Central Hudson teams up with chambers of commerce for newsletter advertising (print and online), newsletter articles, expos, seminars, luncheons, email blasts and web ads.

➤ **Seminars and Business Open Houses**

Central Hudson presents its own seminars and breakfasts for business owners and representatives to learn ways to become more energy efficient and take advantage of incentives. Central Hudson also teams up with business organizations such as the Council of Industry or economic development agencies to promote energy efficiency improvements. Central Hudson has also discovered that satisfied customers are often willing to host open houses so that other businesses can see first-hand the end result of energy efficiency improvements.

➤ **Customer Relationship Management (CRM)**

Central Hudson may purchase a customer relationship management (CRM) tool that can help energy efficiency staff members access customer data quickly and easily, share it with program partners, and leverage it to market program offerings to the right customers. We are interested in a CRM system that helps us learn more about all of our customers, match the right ones with the right programs, find where these customers learn about cost-saving ideas and measures, market directly to them wisely and cost-effectively, and then carefully track program participation through lead nurturing and other techniques. Central Hudson may purchase its own CRM tool or software, or this could come as an implementation feature offered through a program partner.

➤ **Social Marketing**

Social media is media disseminated through social interaction using highly accessible scalable publishing techniques, which utilize modern resources

such as the Internet, blogs and viral marketing tactics. Successful social marketing tactics may be handled and monitored by Central Hudson's Corporate Communications Department. Central Hudson regularly posts on Facebook details of business seminars and news of how businesses can take advantage of energy efficiency programs.

➤ **News Releases**

It is imperative that business energy efficiency programs are announced through all possible press channels, especially to kick off new or time-sensitive program offerings. Central Hudson also produces joint news releases that explain how much money and energy one business or organization has saved by using a utility energy efficiency program.

➤ **Direct Installer Outreach**

Central Hudson's program partners for business energy efficiency are involved in marketing programs and/or measures. Direct installers may use the following tactics: one-on-one meetings, outbound calling, canvassing and targeted community outreach

The target customer market for the Small Business program is non-residential customers with average monthly electric demand of less than 100 kW.

The Central Hudson marketing plan includes:

4.5.1 Overall Messaging

The overall messaging for the Small Business marketing will be consistent with Central Hudson's branding and emphasize that this program is another way Central Hudson is helping customers reduce their energy bills. Key benefits for homeowners include:

- Reduced energy usage
- Payback timeframes for investing in energy-efficiency measures
- Environmental benefits, such as reducing carbon footprint
- Improving the safety, health, comfort, and value of the facilities for employees and customers

Key benefits for participating businesses include:

- Increased revenue
- Differentiate their company by promoting environmentally friendly measures and/or solutions
- Align with brand and programs of trusted utility
- Improve employee morale (from improvements such as better lighting and or quieter appliances or equipment)

- Increase knowledge and training of staff
- Leverage marketing opportunities for their company

4.5.2 Event Marketing

Central Hudson will participate at local business and industry events such as energy efficiency seminars, chamber of commerce shows and business expos to raise awareness for the program and generate inquiries. Brochures will be distributed.

4.5.3 Website

Energy efficiency for businesses will be promoted by driving customers to www.CentralHudson.com. At the website, customers will be able to schedule energy audits, and find program details, satisfied customer testimonials, and incentive amounts.

- (d) A timeline for the development, implementation and evaluation of the outreach and education/marketing efforts;

The marketing timeline, shown in Table 16, details the key tasks and preliminary schedule for the Small Business program:

Table 16: Small Business Marketing

<u>Outreach and Education / Marketing Task</u>	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Flyers, testimonials and brochures												
Direct mail												
Email												
Chamber outreach												
Seminars and business open houses												
CRM												
Social media												
News releases												
Direct installer outreach												
Social media												

- (e) How the outreach and education/marketing plans relate to the company's general outreach and education/marketing plans:

The Small Business marketing budget is separate, distinct, and incremental from Central Hudson's general marketing program. Where possible, the

Central Hudson general marketing messaging will include energy efficiency program information and/or links.

- (f) The efforts that will be undertaken to minimize any overlap and/or customer confusion that may result from outreach and education/marketing activities in the same or adjacent market areas.

In order to minimize overlap and customer confusion, Central Hudson has developed collaborate relationships with various entities, including neighboring utilities and NYSERDA, and refers both customers and contractors accordingly. In addition, Central Hudson continues to develop its website www.CentralHudson.com, which directs customers and contractors to the correct sector and available service.

4.6 *Descriptions of roles and responsibilities of the utility and all program contractors*

Central Hudson staff will administer the program utilizing an implementation contractor. In conjunction with the implementation contractor, Central Hudson will perform marketing activities, trade ally recruitment, customer screening and enrollment, and program tracking. The implementation contractor will be mainly responsible for retailer management, trade ally training, reporting, rebate processing, manage an Energy Efficiency call center, and program closeout.

Central Hudson will be responsible for all reporting to Staff including monthly scorecard, quarterly scorecard, and annual reporting. A separate contractor will be used to perform a process evaluation of the program. An additional evaluation contractor may need to be contracted for impact evaluation or Central Hudson may jointly procure an impact evaluator with NYSERDA and the other utilities in the State as discussions continue during the Evaluation Advisory Group meetings. Central Hudson may contract with other marketing, engineering and evaluation firms when deemed necessary and within the allowable program budget.

Central Hudson is currently researching a system wide tracking system in which each implementation contractor will submit program information on an on-going basis. By having one centralized system, Central Hudson will be able to generate automatic reporting that is easier and more accurate.

4.7 *Procedures for customer enrollment*

Customer enrollment will be performed through the customer call center as follows:

Customer Call Center

There telephone access for all persons who call the Central Hudson's Call Center. The majority of calls will be from program participants while a fair

number will also be from retailer contacts. All calls to Central Hudson's Energy Efficiency Call Center will be handled by knowledgeable Customer Service Representatives (CSR's) who understand and have access to current program information and offerings. These individuals will provide the first level of support, often being the only point of contact that the customer requires.

Callers will be greeted by live operators Monday through Friday. Staffing levels and hours of coverage will be adjusted to meet campaign needs or as other factors affecting call volumes and times warrant. After-hour callers will be greeted by an automated response that will provide the website address and information about normal business hours and allowing them to leave a message requesting a call back on the next business day.

Internal quality assurance audits will be conducted by listening in on randomly-selected calls, both announced and unannounced to the CSR, and by conducting weekly analysis of call volumes and other metrics handled by each CSR, as well as such metrics as abandoned calls and escalated calls.

Screening Process

Call Center representatives will verify customer eligibility by one or more of the following

- Asking for Central Hudson account number
- Asking for home address

Documentation and Tracking

All calls from customers and contractors, in all programs, will be electronically documented and tracked in tracking database software, which will then be uploaded to Central Hudson's program database.

Other Channels for Enrollment

Other channels for enrollment include:

- Commercial customers will respond to various marketing campaigns, such as direct contact, direct mail, trade shows, and email blasts.
- Commercial customers will attend an energy efficiency workshop hosted by Central Hudson

Referrals to Other Programs

Call Center representatives will be fully trained to guide customers and contractors to energy efficiency programs that may be relevant to them and that are outside the scope of these particular programs. The representatives will be able to supply, over the phone, the minimum contact information needed to reach the managing agency including NYSERDA and other utilities in New York State.

Activities supporting Customer enrollment

➤ **Energy Assessment**

A customer may want to receive a free on-site energy assessment. The purpose of the energy assessment is to educate customer on ways they can reduce electricity usage by installing specific energy-efficiency measures and/or undertaking specific practices. The assessment will identify the measures that can be upgraded and financial benefit the customer may be eligible for if the certain measures are installed. Where applicable, the assessment will provide industry-specific and custom recommendations. The output of the assessment process is a report that includes graphics and text that:

- Shows the customer how much electricity is currently being used by various measures;
- Recommends specific energy-efficiency measures, explains the key features of each measure, and indicates approximately how much energy-usage and operating costs each measure will save each year;
- Provides the approximate cost, the amount of financial incentive the program will provide, and the approximate payback period;
- Identifies next steps for implementing energy efficiency measures

The report will be printed and presented to the customer following the data-collection phase of the assessment. In addition to delivering the report, the trained representative performing the assessment will follow-up and discuss the report's recommendation with the business owner, building owner or a representative designated by the owner, and will explain the incentives that can be provided for each recommended measure.

The program data record will include the customer's business name, address, email, and the name and contact information of the owner and key management staff. In addition, the customer's billing history will be pre-loaded into the computer so it is instantly available for use by the software.

On-site data-collection activity will involve collecting and storing in the Assessment Database the following data elements:

- Facility name, address, telephone and fax numbers, website URL, and utility account numbers
- Business owner name, address, telephone and fax numbers, and key decision-makers' names, phone numbers, and email addresses.
- (If applicable): Property manager's name, address, telephone and fax numbers, and key decision-makers' names, cell phone numbers, and email addresses.
- (If applicable): Property owner name, address, telephone and fax numbers, and key decision-maker's names, cell phone numbers, and email addresses.
- Business hours and operating schedule

- Facility structural data including age, type of construction, size, materials, etc.
- Equipment operating schedules, approximate ages, and general condition.

➤ **Program Tracking System**

The Program Tracking System (PTS) will be linked to the Assessment database, and will also contain participant-specific records detailing:

- Customer profile, including name, address, telephone, fax, e-mail, primary NAICS code, and business size code, and account numbers.
- Dates of: brochure mailing, initial visit, audit, follow up contacts, contract signing, loan agreement with dollars and term, start of measure installation, and completion of measure installation.
- All measures recommended, with estimated kWh & seasonal kW.
- Estimated savings resulting from each energy-efficiency measure.
- Application data, measure data and category, incentive amount, date approved, method of approval, and name of approver.

Central Hudson and its implementation contractor will work with the customer to provide concise, easy to understand documentation on the energy-efficiency measures that will be replaced and upgraded. Central Hudson will also work with the customer to provide appropriate financing for the project.

When the customer (i.e., business owner) agrees to have a specific set of measures installed, the following data will be captured in the PTS:

- Energy-Efficiency equipment information, including equipment type, make, model, and serial number.
- Installation information, including date of installation, contractor(s), date of inspection (if required), and ownership data.
- Projected electricity savings (kWh/yr) and peak-demand reduction (kW); and fuel type.

4.8 *Contact information for customer inquiries and complaints*

Customers will be able to contact Central Hudson representatives via a toll-free hotline. Program success hinges not only on performance in the field during program delivery, but also on the quality and responsiveness of pre- and post- implementation customer services. While the entire quality assurance philosophy is centered on doing the job right the first time and every time, it is acknowledged from experience that unforeseen situations can occur. Central Hudson is fully prepared to respond to these with the goal to try and minimize the customer inconvenience from the program in any way. Central Hudson will make every attempt to resolve service deficiencies, ensuring satisfaction of the customer. All documentation related to customer comments, complaints, and complaint resolution will be kept on file.

4.9 *Quality assurance plan*

The purpose of the quality assurance plan is to assure that the equipment specified on the application is installed and operational at the location as required. Installations are randomly selected for a pre- and post- inspection from an additional contractor. 10% of all projects are inspected for accuracy of energy audit, quality of work installed, and the total customer experience.

Quality deficiencies must be handled sensitively as not to disrupt relationships between trade allies and their customers. If a serious deficiency which may put a customer at risk (gas leaks, carbon monoxide issues, electrical code violations, etc.) is discovered, a Central Hudson representative will immediately notify the customer of the situation and in most cases remain on site until it is assured that corrective actions are in process.

Minor deficiencies will be reported to the contractors first, in order for them to have the opportunity to make corrections. Follow up phone calls will be made to customers who have minor deficiencies in order to ensure that corrective actions have been addressed. Central Hudson will monitor and report deficiencies in order to provide continuous contractor feedback. Central Hudson will work to determine protocols for a contractor that needs to be removed from program participation based on poor performance.

Where installation practices are of concern, the inspector can verify that these have been carried out properly, to the degree possible. The inspector will not dismantle, disconnect, or perform invasive tests on equipment.

4.10 *Coordination with other New York energy efficiency programs*

Central Hudson is an active participant on the Energy Efficiency Program Administrator Collaborative (EEPAC) with NYSERDA and the other New York State utilities. Central Hudson is an active participant on the Steering Committee and working groups discussing double dipping / counting, referrals, contractor qualifications, training, and collaborative outreach.

Central Hudson has participated in numerous conference calls and meetings with the other utilities in New York State to discuss program operation and structure to minimize market confusion and promote best practices.

4.11 *Evaluation plan*

The process evaluation report for this program is under final revisions before being submitted to DPS Staff. A revised impact evaluation plan is under development to include additional evaluation activities currently planned for 2012 – 2015.

5. Mid-Size Business Program

5.1 *Cumulative and annual budgets, energy savings, and customer participation goals*

Table 17: Estimated Annual Customer Participation - Mid-Size Business Projects

Measure	Year	Projects	MWh/yr Saved (Net)
Commercial Customer Participation	2012	40	2,791
	2013	40	2,791
	2014	40	2,791
	2015	40	2,791
	Total	160	11,164

5.2 *Annual budgets by spending category including descriptions of expenditures within each category*

Table 18: Annual budgets by spending category – Mid-Size Business Program (Electric)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2012 - 2015 Total</u>
General Administration	\$90,000	\$90,000	\$90,000	\$90,000	\$360,000
Program Marketing	\$28,000	\$28,000	\$28,000	\$28,000	\$112,000
Trade Ally Training	\$5,000	\$5,000	\$5,000	\$5,000	\$20,000
Incentives & Services	\$984,035	\$984,035	\$984,035	\$984,035	\$3,936,140
Direct Program Implementation	\$50,000	\$50,000	\$50,000	\$50,000	\$200,000
Program Evaluation	\$60,896	\$60,896	\$60,896	\$60,896	\$243,584
Total	\$1,217,931	\$1,217,931	\$1,217,931	\$1,217,931	\$4,871,724

5.3 *TRC Cost Benefit Testing*

Central Hudson has conducted a preliminary Total Resource Cost test for this program in year 2012 at the approved budgets and estimated energy savings. This program passes the TRC test with a score of 1.2

5.4 Eligible measures and associated customer incentives

The Mid-Size Business Program fixed incentive structure covers 60 percent of the cost of each lighting project. Each customer site will be given a unique project scope based on the facility and specific lighting needs. Common measures to be installed by eligible customers in the Mid-Size Business Direct Installation program include:

- T-12 to T-8 Replacements and Retrofits
- Reflectors and De-Lamping
- LED Exit Signs
- Metal Halide to High-Bay T-5 Replacements
- Pin-Based and Screw-In CFLs
- LED Down Lamps

Central Hudson will evaluate additional commercial measures for inclusion in this program, as per the EEPS flexibility protocols & communication w/ DPS Staff. Potential future measure offerings include:

- HVAC Systems
- Refrigeration
- Additional Lighting Measures such as outdoor lighting
- Motors & Drives
- Custom

5.5 Customer Outreach and Education/Marketing

In compliance with the “Order Authorizing Efficiency Programs, Revising Incentive Mechanism, and Establishing a Surcharge Schedule” (Issued and Effective October 25, 2011), as directed in Ordering Clauses 9 and 10, in this implementation plan, Central Hudson is including the following information related to its marketing in this section:

- (a) Specific budget amounts for each individual element of the outreach and education/marketing budget for each year of the program;

The outreach and education/marketing budget of the Residential Appliance Recycling program is shown in Table 19.

Table 19: Mid-Size Business Program Marketing Budget

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2012 - 2015 Total</u>
Program Marketing	\$28,000	\$28,000	\$28,000	\$28,000	\$112,000

These marketing costs are direct program costs and will be implemented to include the following items and quantities per year as shown in Table 20. The tactics in Table 20 are those that equal \$112,000 for the approved budget.

Table 20: Mid-Size Business Program Direct Marketing Costs

	2012	2013	2014	2015	Total
Flyers, testimonials and brochures	8,500	8,500	8,500	8,500	\$34,000
Direct mail	18,000	18,000	18,000	18,000	\$72,000
Email	0	0	0	0	0
Seminars and business open houses	1,500	1,500	1,500	1,500	\$6,000
Social media	0	0	0	0	0
News releases	0	0	0	0	0
Direct installer outreach	0	0	0	0	0
News releases	0	0	0	0	0
Total	\$28,000	\$28,000	\$28,000	\$28,000	\$112,000

- (b) A list and description of the outreach and education/marketing vehicles to be used;

The below list of outreach and education/marketing vehicles will be used to promote this program and recruit customers to recycle or upgrade their appliances to efficient equipment:

➤ **Flyers, Testimonials and Brochures**

In marketing to businesses, Central Hudson has found that **customer testimonials** (printed and online versions) are effective in persuading customers about the benefits of energy efficiency improvements. Testimonials also present the project cost and savings in clear terms and illustrate the measures. In addition, Central Hudson designs and prints **rack cards, brochures** and **flyers** that are handed out at Central Hudson's business seminars, presentations and chamber of commerce events. These brochures are also inserted into business packets, giveaways and press kits. The line item for flyers, posters and brochures includes layout, design, file conversions, and printing costs.

➤ **Direct Mail**

Direct mail has been an effective marketing tactic to reach business customers and explain how easy it is to have a refrigerator picked up and recycled. Brief messages, reminders and announcements of new program offerings are appropriate for postcards, which have been effective. Direct mail letters are more personalized and can be used to describe specific offers targeted to specific kinds of business and commercial customers.

➤ **Email**

Email blasts are a cost-effective approach to marketing energy efficiency to non-residential customers. Central Hudson's email blast service also has the advantage of tracking if and when customers open and click the message. Recipients also have the option of opting out at any time. As Central Hudson gathers more email addresses and takes advantage of customer relationship management (CRM) tools, it can take advantage of program-specific targeted emails.

➤ **Seminars and Business Open Houses**

Central Hudson presents its own seminars and breakfasts for business owners and representatives to learn ways to become more energy efficient and take advantage of incentives. Central Hudson also teams up with business organizations such as the Council of Industry or economic development agencies to promote energy efficiency improvements. Central Hudson has also discovered that satisfied customers are often willing to host open houses so that other businesses can see first-hand the end result of energy efficiency improvements.

➤ **Social Marketing**

Social media is media disseminated through social interaction using highly accessible scalable publishing techniques, which utilize modern resources such as the Internet, blogs and viral marketing tactics. Successful social marketing tactics may be handled and monitored by Central Hudson's Corporate Communications Department. Central Hudson regularly posts on Facebook details of business seminars and news of how businesses can take advantage of energy efficiency programs.

➤ **News Releases**

It is imperative that business energy efficiency programs are announced through all possible press channels, especially to kick off new or time-sensitive program offerings. Central Hudson also produces joint news releases that explain how much money and energy one business or organization has saved by using a utility energy efficiency program.

➤ **Direct Installer Outreach**

Central Hudson's program partners for business energy efficiency are involved in marketing programs and/or measures. Direct installers may use the following tactics: one-on-one meetings, outbound calling, canvassing and targeted community outreach.

The target customer market for the Mid-Size Business program is non-residential customers with average monthly electric demand of between 100 and 350 kW.

The Central Hudson marketing plan includes:

5.5.1 Overall Messaging

The overall messaging for the Mid-Size Business marketing will be consistent with Central Hudson's branding and emphasize that this program is another way Central Hudson is helping customers reduce their energy bills. Key benefits for homeowners include:

- Reduced energy usage
- Payback timeframes for investing in energy-efficiency measures
- Environmental benefits, such as reducing carbon footprint
- Improving the safety, health, comfort, and value of the facilities for employees and customers

Key benefits for participating businesses include:

- Increased revenue
- Differentiate their company by promoting environmentally friendly measures and/or solutions
- Align with brand and programs of trusted utility
- Improve employee morale (from improvements such as better lighting and or quieter appliances or equipment)
- Increase knowledge and training of staff
- Leverage marketing opportunities for their company

5.5.2 Event Marketing

Central Hudson will participate at local business and industry events such as energy efficiency seminars, chamber of commerce shows and business expos to raise awareness for the program and generate inquiries. Brochures will be distributed.

5.5.3 Website

Energy efficiency for businesses will be promoted by driving customers to www.CentralHudson.com. At the website, customers will be able to schedule energy audits, and find program details, satisfied customer testimonials, and incentive amounts.

- (d) A timeline for the development, implementation and evaluation of the outreach and education/marketing efforts;

The marketing timeline, shown in Table 21, details the key tasks and preliminary schedule for the Mid-Size Business program:

Table 21: Mid-Size Business Marketing

<u>Outreach and Education / Marketing Task</u>	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Flyers, testimonials and brochures												
Direct mail												
Email												
Seminars and business open houses												
Social media												
News releases												
Direct installer outreach												
Social media												

- (e) How the outreach and education/marketing plans relate to the company's general outreach and education/marketing plans:

The Mid-Size Business marketing budget is separate, distinct, and incremental from Central Hudson's general marketing program. Where possible, the Central Hudson general marketing messaging will include energy efficiency program information and/or links.

- (f) The efforts that will be undertaken to minimize any overlap and/or customer confusion that may result from outreach and education/marketing activities in the same or adjacent market areas.

In order to minimize overlap and customer confusion, Central Hudson has developed collaborate relationships with various entities, including neighboring utilities and NYSERDA, and refers both customers and contractors accordingly. In addition, Central Hudson continues to develop its website www.CentralHudson.com, which directs customers and contractors to the correct sector and available service.

5.6 Descriptions of roles and responsibilities of the utility and all program contractors

Central Hudson staff will administer the program utilizing an implementation contractor. In conjunction with the implementation contractor, Central Hudson will perform marketing activities, trade ally recruitment, customer screening and enrollment, and program tracking. The implementation contractor will be mainly responsible for retailer management, trade ally training, reporting, rebate processing, manage an Energy Efficiency call center, and program closeout.

Central Hudson will be responsible for all reporting to Staff including monthly scorecard, quarterly scorecard, and annual reporting. A separate contractor will be used to perform a process evaluation of the program. An additional evaluation contractor may need to be contracted for impact evaluation or Central Hudson may jointly procure an impact evaluator with NYSERDA and the other utilities in the State as discussions continue during the Evaluation Advisory Group meetings. Central Hudson may contract with other marketing, engineering and evaluation firms when deemed necessary and within the allowable program budget.

Central Hudson is currently researching a system wide tracking system in which each implementation contractor will submit program information on an on-going basis. By having one centralized system, Central Hudson will be able to generate automatic reporting that is easier and more accurate.

5.7 Procedures for customer enrollment

Customer enrollment will be performed through the customer call center as follows:

Customer Call Center

There will be telephone access for all persons who call Central Hudson's Call Center. The majority of calls will be from program participants while a fair number will also be from retailer contacts. All calls to Central Hudson's Energy Efficiency Call Center will be handled by knowledgeable Customer Service Representatives (CSR's) who understand and have access to current program information and offerings. These individuals will provide the first level of support, often being the only point of contact that the customer requires.

Callers will be greeted by live operators Monday through Friday. Staffing levels and hours of coverage will be adjusted to meet campaign needs or as other factors affecting call volumes and times warrant. After-hour callers will be greeted by an automated response that will provide the website address and information about normal business hours and allowing them to leave a message requesting a call back on the next business day.

Internal quality assurance audits will be conducted by listening in on randomly-selected calls, both announced and unannounced to the CSR, and by conducting weekly analysis of call volumes and other metrics handled by each CSR, as well as such metrics as abandoned calls and escalated calls.

Screening Process

Call Center representatives will verify customer eligibility by one or more of the following

- Asking for Central Hudson account number
- Asking for home address

Documentation and Tracking

All calls from customers and contractors, in all programs, will be electronically documented and tracked in tracking database software, which will then be uploaded to Central Hudson's program database.

Other Channels for Enrollment

Other channels for enrollment include:

- Commercial customers will respond to various marketing campaigns, such as direct contact, direct mail, trade shows, and email blasts.
- Commercial customers will attend an energy efficiency workshop hosted by Central Hudson

Referrals to Other Programs

Call Center representatives will be fully trained to guide customers and contractors to energy efficiency programs that may be relevant to them and that are outside the scope of these particular programs. The representatives will be able to supply, over the phone, the minimum contact information needed to reach the managing agency including NYSERDA and other utilities in New York State.

Activities supporting customer enrollment

➤ **Energy Assessment**

A customer may want to receive a free on-site energy assessment. The purpose of the energy assessment is to educate customer on ways they can reduce electricity usage by installing specific energy-efficiency measures and/or undertaking specific practices. The assessment will identify the measures that can be upgraded and financial benefit the customer may be eligible for if the certain measures are installed. Where applicable, the assessment will provide industry-specific and custom recommendations. The output of the assessment process is a report that includes graphics and text that:

- Shows the customer how much electricity is currently being used by various measures;
- Recommends specific energy-efficiency measures, explains the key features of each measure, and indicates approximately how much energy-usage and operating costs each measure will save each year;
- Provides the approximate cost, the amount of financial incentive the program will provide, and the approximate payback period;
- Identifies next steps for implementing energy efficiency measures

The report will be printed and presented to the customer following the data-collection phase of the assessment. In addition to delivering the report, the trained representative performing the assessment will follow-up and discuss the report's recommendation with the business owner, building owner or a representative designated by the owner, and will explain the incentives that can be provided for each recommended measure.

The program data record will include the customer's business name, address, email, and the name and contact information of the owner and key management staff. In addition, the customer's billing history will be pre-loaded into the computer so it is instantly available for use by the software.

On-site data-collection activity will involve collecting and storing in the Assessment Database the following data elements:

- Facility name, address, telephone and fax numbers, website URL, and utility account numbers
- Business owner name, address, telephone and fax numbers, and key decision-makers' names, phone numbers, and email addresses.
- (If applicable): Property manager's name, address, telephone and fax numbers, and key decision-makers' names, cell phone numbers, and email addresses.
- (If applicable): Property owner name, address, telephone and fax numbers, and key decision-maker's names, cell phone numbers, and email addresses.
- Business hours and operating schedule
- Facility structural data including age, type of construction, size, materials, etc.
- Equipment operating schedules, approximate ages, and general condition.

➤ **Program Tracking System**

The Program Tracking System (PTS) will be linked to the Assessment database, and will also contain participant-specific records detailing:

- Customer profile, including name, address, telephone, fax, e-mail, primary NAICS code, and business size code, and account numbers.

- Dates of: brochure mailing, initial visit, audit, follow up contacts, contract signing, loan agreement with dollars and term, start of measure installation, and completion of measure installation.
- All measures recommended, with estimated kWh & seasonal kW.
- Estimated savings resulting from each energy-efficiency measure.
- Application data, measure data and category, incentive amount, date approved, method of approval, and name of approver.

Central Hudson and its implementation contractor will work with the customer to provide concise, easy to understand documentation on the energy-efficiency measures that will be replaced and upgraded. Central Hudson will also work with the customer to provide appropriate financing for the project.

When the customer (i.e., business owner) agrees to have a specific set of measures installed, the following data will be captured in the PTS:

- Energy-Efficiency equipment information, including equipment type, make, model, and serial number.
- Installation information, including date of installation, contractor(s), date of inspection (if required), and ownership data.
- Projected electricity savings (kWh/yr) and peak-demand reduction (kW); and fuel type.

5.8 *Contact information for customer inquiries and complaints*

Customers will be able to contact Central Hudson representatives via a toll-free hotline. Program success hinges not only on performance in the field during program delivery, but also on the quality and responsiveness of pre- and post- implementation customer services. While the entire quality assurance philosophy is centered on doing the job right the first time and every time, it is acknowledged from experience that unforeseen situations can occur. Central Hudson is fully prepared to respond to these with the goal to try and minimize the customer inconvenience from the program in any way. Central Hudson will make every attempt to resolve service deficiencies, ensuring satisfaction of the customer. All documentation related to customer comments, complaints, and complaint resolution will be kept on file.

5.9 *Quality assurance plan*

The purpose of the quality assurance plan is to assure that the equipment specified on the application is installed and operational at the location as required. Installations are randomly selected for a pre- and post- inspection from an additional contractor. 10% of all projects are inspected for accuracy of energy audit, quality of work installed, and the total customer experience.

Quality deficiencies must be handled sensitively as not to disrupt relationships between trade allies and their customers. If a serious deficiency which may put a customer at risk (gas leaks, carbon monoxide issues, electrical code violations, etc.) is discovered, a Central Hudson representative will immediately notify the customer of the situation and in most cases remain on site until it is assured that corrective actions are in process.

Minor deficiencies will be reported to the contractors first, in order for them to have the opportunity to make corrections. Follow up phone calls will be made to customers who have minor deficiencies in order to ensure that corrective actions have been addressed. Central Hudson will monitor and report deficiencies in order to provide continuous contractor feedback. Central Hudson will work to determine protocols for a contractor that needs to be removed from program participation based on poor performance.

Where installation practices are of concern, the inspector can verify that these have been carried out properly, to the degree possible. The inspector will not dismantle, disconnect, or perform invasive tests on equipment.

5.10 Coordination with other New York energy efficiency programs

Central Hudson is an active participant on the Energy Efficiency Program Administrator Collaborative (EEPAC) with NYSERDA and the other New York State utilities. Central Hudson is an active participant on the Steering Committee and working groups discussing double dipping / counting, referrals, contractor qualifications, training, and collaborative outreach.

Central Hudson has participated in numerous conference calls and meetings with the other utilities in New York State to discuss program operation and structure to minimize market confusion and promote best practices.

5.11 Evaluation plan

The process evaluation report for this program is under final revisions before being submitted to DPS Staff. A revised impact evaluation plan is under development to include additional evaluation activities currently planned for 2012 – 2015.

6. Residential Appliance Recycling Program

The Central Hudson Residential Appliance Recycling Program has the objective to provide a collection and recycling service to Central Hudson customers in order to capture significant energy savings and environmental benefits by recycling old refrigerators, freezers, window & through-wall air conditioner (AC) units.

6.1 Annual energy savings and budgets by spending category including descriptions of expenditures within each category

Table 22: Residential Appliance Recycling Energy Savings Targets

Year	2012	2013	2014	2015	Total
MWh Targets	2,226	2,226	2,226	2,226	8,904

Table 23: Estimated Annual Customer Participation - Appliances Recycled

Appliance Type	Description	Year	Quantity
Refrigerators	Qualifying refrigerators picked up and recycled by Central Hudson's recycling contractor.	2012	1,300
		2013	1,300
		2014	1,300
		2015	<u>1,300</u>
		Total	5,200
Freezers	Qualifying freezers picked up and recycled by Central Hudson's recycling contractor.	2012	350
		2013	350
		2014	350
		2015	<u>350</u>
		Total	1,400
Window A/C Units	Window mounted A/C units picked up and recycled by Central Hudson's contractor or dropped off at a turn-in location	2012	300
		2013	300
		2014	300
		2015	<u>300</u>
		Total	1,200
Through-Wall A/C Units	Through-wall A/C units picked up and recycled by Central Hudson's contractor or dropped off at a turn-in location	2012	100
		2013	100
		2014	100
		2015	<u>100</u>
		Total	400
Compact Fluorescent Lamps (CFL)	Compact fluorescent lamps given to participants of this program.	2012	2,500
		2013	2,500
		2014	2,500
		2015	<u>2,500</u>
		Total	10,000
Other Measures	Additional program measures to be incorporated under the EEPS flexibility guidelines to enhance program offerings and meet changing market conditions.		TBD

**Table 24: Annual budgets by spending category – Appliance Recycling Program
(Electric)**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2012 - 2015 Total</u>
General Administration	\$70,000	\$70,000	\$70,000	\$70,000	\$280,000
Program Marketing	\$100,000	\$100,000	\$100,000	\$100,000	\$400,000
Trade Ally Training	\$0	\$0	\$0	\$0	\$0
Incentives & Services	\$320,743	\$320,743	\$320,743	\$320,743	\$1,282,972
Direct Program Implementation	\$475,000	\$475,000	\$475,000	\$475,000	\$1,900,000
Program Evaluation	\$50,828	\$50,828	\$50,828	\$50,828	\$203,312
Total	\$1,016,571	\$1,016,571	\$1,016,571	\$1,016,571	\$4,066,284

6.2 TRC Cost Benefit Testing

Central Hudson has conducted a preliminary Total Resource Cost test for this program in year 2012 at the approved budgets and estimated energy savings. This program passes the TRC test with a score of 1.3

6.3 Eligible measures and associated customer incentives

Current Incentives

Below, please find Table 25 showing current incentive schedule for eligible measures in the Appliance Recycling Program, consistent with the approved levels for 2010-2011.

Table 25: Annual budgets by spending category – Appliance Recycling Program (Electric)

Measure	Incentive
Refrigerator	\$50
Freezer	\$50
Room A/C Units	\$50 towards the purchase of a new ENERGY STAR unit
Through-the-Wall A/C Units	\$100 towards the purchase of a new ENERGY STAR unit

Descriptions of the eligible equipment can be found below:

➤ **Refrigerator/Freezer Eligibility:**

- Customer type: units must be located at a residential location served by Central Hudson.
- Unit status: units must be demonstrated to be operating (i.e., producing appropriately cold temperatures) at the point of pick-up.
- Unit types: refrigerators and freezers both eligible.
- Size: units 10-30 cubic feet eligible (i.e., smaller and larger units not eligible)
- Age: no vintage restrictions.
- Efficiency: ENERGY STAR® refrigerators not eligible.
- Number: up to two units harvestable from any given customer account per calendar year.

➤ **Room AC Units/Through-the-Wall AC Units Eligibility:**

- Customer type: units must be located at a residential location served by Central Hudson accompanied by a recycled refrigerator/freezer **OR** turned in at an event or drop-off location.
- Unit status: units must be demonstrated to be operating (i.e., producing appropriately cold temperatures) at the point of pick-up.
- Unit types: window and through-the-wall air conditioners
- Size: 5,000 BTU and larger units
- Age: no vintage restrictions
- Efficiency: ENERGY STAR® air conditioners not eligible.
- Number: No limit

6.4 Customer Outreach and Education/Marketing

In compliance with the “Order Authorizing Efficiency Programs, Revising Incentive Mechanism, and Establishing a Surcharge Schedule” (Issued and Effective October 25, 2011), as directed in Ordering Clause 9 and 10, in this implementation plan, Central Hudson is including the following information related to its marketing in this section:

- (a) Specific budget amounts for each individual element of the outreach and education/marketing budget for each year of the program;

The outreach and education/marketing budget of the Residential Appliance Recycling program is shown in Table 26.

Table 26: Residential Appliance Recycling Program Marketing Budget

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2012 - 2015 Total</u>
Program Marketing *	\$100,000	\$100,000	\$100,000	\$100,000	\$400,000

* Note: Based on actual implementation contractor competitive bid.

These marketing costs are direct program costs and will be implemented to include the following items and quantities per year as shown in Table 27. The activities in Table 27 are the activities that equal \$400,000 for the approved budget.

Table 27: Residential Appliance Recycling Program Direct Marketing Costs*

	2012	2013	2014	2015	Total
Point-of-service flyers, posters and brochures	1,850	1,850	1,850	1,850	\$7,400
Direct mail	43,500	43,500	43,500	43,500	\$174,000
Community packets	300	300	300	300	\$1,200
Email	600	600	600	600	\$2,400
School promotion	150	150	150	150	\$600
Bill inserts	5,000	5,000	5,000	5,000	\$20,000
Print ads	11,500	11,500	11,500	11,500	\$46,000
Gas station ads	4,600	4,600	4,600	4,600	18,400
Mall ads	7,500	7,500	7,500	7,500	\$30,000
Television ads	25,000	25,000	25,000	25,000	\$100,000
Social media	0	0	0	0	0
News Releases	0	0	0	0	0
Total	\$100,000	\$100,000	\$100,000	\$100,000	\$400,000

* Note: Based on actual implementation contractor competitive bid.

- (b) A list and description of the outreach and education/marketing vehicles to be used;

The below list of outreach and education/marketing vehicles will be used to promote this program and recruit customers to recycle or upgrade their appliances to efficient equipment:

➤ **Point-of-sale Materials**

Point-of-sale materials include **rack cards** displayed at the checkout counter in a tear-off pad or rack cardholder. 11 x 17 inch or 24 x 36 inch posters, when possible, are often displayed at the checkout area as well. Signage is minimal, as the program is presented to the retailer as an added value to their customers once an appliance purchase is made. The point-of-service materials are not used on the sales floor to influence sales or compete with other marketing collateral. **Program brochures** are handed out at all of Central Hudson's presentations and events. These brochures are also inserted into community packets, giveaways and press kits. Point-of-service materials also include **signs and flyers** used at room air conditioner turn-in events.

➤ **Direct Mail**

Along with bill inserts, direct mail has been an effective marketing tactic to reach customers and explain how easy it is to have a refrigerator picked up and recycled. The brevity of the message lends itself to postcards, which have been effective. Direct mail letters have the advantage of promoting refrigerator recycling and tagging on special offers such as room air conditioner turn-in events and rebates.

➤ **Community Packets**

In addition to traditional advertising, Central Hudson will build program support and credibility within communities by sending community packets to various organizations. These packets are appropriate for the following:

- Municipal or community education that encourages local citizens to set community goals focusing on energy savings and environmental benefits of appliance recycling, which should be communicated in terms familiar to the consumer through marketing collateral.
- Schools and environmental organizations focusing on using less energy to help save the environment.
- Posters, brochures and/or press packets for community centers, Central Hudson payment centers, grocery stores, hospitals, municipal buildings, schools and at public presentations or events.

➤ **Email**

Email blasts are a cost-effective approach to marketing appliance recycling. This method provides detailed progress reports that show the specific email recipients that opened the email, forwarded the email, clicked through to the suggested website, deleted the email and/or opted out. Central Hudson can do program-specific targeted emails or include appliance recycling as part of Central Hudson's quarterly e-newsletter to residential customers.

➤ **School Promotion**

This tactic involves selecting a few schools to have a refrigerator coloring contest on old refrigerator fridges, using media to gain leverage. The winner gets a gift card and miniature clear box containing their recycled refrigerator.

➤ **Bill Inserts**

Utility bill inserts continue to be the most productive and cost-effective method of motivating customers to participate, and they are an essential part of program sponsorship. Response rates range between 3 and 8%, which is very good when considering that these go to more than 250,000 customers.

➤ **Print Advertising**

Newspaper and print ads can keep the program in front of the public, especially when mass media campaigns are unavailable due to funding or seasonality. Newspaper and print advertising will be done on select days/issues and in specific sections of daily newspapers. The ads will match the look and feel of bill inserts and direct mail pieces. Print advertising also includes special inserts in the spring weekend editions to promote room air conditioner recycling and Black Friday weekend editions to promote refrigerator recycling.

➤ **Gas Station Advertising**

While outdoor advertising such as billboards can be costly for the number of customers reached, advertisements above gas pumps can provide a similar exposure for much less money.

➤ **Mall Advertising**

This involves door clings and posters at mall entrances and large back-lit blades in mall walkways. These ads appear the same malls where room air conditioners can be recycling, so there is opportunity to reach many customers with the same brand.

➤ **Television Advertising**

Television advertising can be an effective method of conveying to consumers that keeping an energy-inefficient refrigerator, freezer or room air conditioner running is an expensive undertaking and that there is an easy way to get paid for turning an old, operating appliance while practicing energy and environmental conservation. Cable television offers the flexibility to run ads in only the Central Hudson service territory and rates are significantly lower than network advertising. Cable television also offers a greater opportunity to stage ads throughout the broadcast day, which creates a more level intake of orders during call center hours, avoiding the peaks and valleys of phone calls that can frustrate consumer attempts to make contact. There is a variety of pricing with cable ads, and this makes it easier to reach the demographic while staying within the budget.

➤ **Social Marketing**

Social media is loosely defined as media disseminated through social interaction using highly accessible scalable publishing techniques, which utilize modern resources such as the Internet, blogs and viral marketing tactics. Successful social marketing tactics may be handled and monitored by Central Hudson's Corporate Communications Department.

➤ **News Releases**

It is imperative that the program is announced through all possible press channels to kick off air conditioner turn-in events successfully. Since Central Hudson offers other energy efficient solutions to its customers, appliance recycling and/or quantified totals of units recycled are also effective and delivering a broad message about energy efficiency.

➤ **Participating and Promoting Retail Sponsorship**

There are two types of retail interaction used in marketing Appliance Recycling: participating and promoting retail sponsorship. With a participating retailer, there is a full cycle of program sponsorship, from displaying brochures to appliance pick-up assistance. While a participating retailer drastically increases program participation, Central Hudson will work with all appliance retailers within the service territory to distribute point-of-sale (POS) materials highlighting program benefits (promoting retail sponsorship). POS materials in retail appliance stores focus on those customers purchasing a new appliance and presents recycling program information to help aide removal of the secondary unit. Table 28 is a simplified breakdown of the two types of retail sponsorship:

Table 28: Residential Appliance Recycling Program Retail Sponsorship

Promoting Retailer	Participating Retailer
Places POS literature in store and implementation contractor trains sales personnel on program guidelines	Places POS literature in store and implementation contractor trains sales personnel on program guidelines
Customer schedules appointment	Retailer enrolls customer in program and schedules delivery/collection
Implementation contractor verifies eligibility of old appliance and collects it for recycling	Retailer verifies eligibility of old appliance and collects it for recycling by implementation contractor when new appliance is delivered

The POS materials for retailers include rack cards (4 x 9 inch) displayed at the checkout counter in a tear-off pad or rack cardholder. Also, 11 x 17 inch or 24 x 36 inch posters, when possible, are often displayed at the checkout area as well. Signage is minimal, as the program is presented to the retailer as an added value to their customers once an appliance

purchase is made. The POS materials are not used on the sales floor to influence sales or compete with other marketing collateral.

(c) An explanation of the target audience for each program component;

Central Hudson serves approximately 255,000 electric residential customers. For the Residential Appliance Recycling Program, the following customer unit quantities are forecasted in Table 29.

Table 29: Appliance Recycling Quantities

Appliance Type	Description	Year	Quantity
Refrigerators	Qualifying refrigerators picked up and recycled by Central Hudson's recycling contractor.	2012	1,300
		2013	1,300
		2014	1,300
		2015	<u>1,300</u>
		Total	5,200
Freezers	Qualifying freezers picked up and recycled by Central Hudson's recycling contractor.	2012	350
		2013	350
		2014	350
		2015	<u>350</u>
		Total	1,400
Window A/C Units	Window-mounted A/C units picked up and recycled by Central Hudson's contractor or dropped off at a turn-in location	2012	300
		2013	300
		2014	300
		2015	<u>300</u>
		Total	1,200
Through-Wall A/C Units	Through-wall A/C units picked up and recycled by Central Hudson's contractor or dropped off at a turn-in location	2012	100
		2013	100
		2014	100
		2015	<u>100</u>
		Total	400

The target customer market for this Residential Appliance Recycling is Central Hudson's residential electric customers who possess a secondary refrigerator or freezer.

Central Hudson Gas & Electric will drive program participation in the Residential Appliance Recycling Program primarily through the education of customers on the benefits and savings offered by ENERGY STAR rated equipment. Raising consumer awareness through mass media advertising as well as bill insert advertising will ensure that energy efficient products are installed properly and program goals are met. This marketing plan is designed to obtain energy savings by promoting the recycling or upgrade of older refrigerators, freezers, and AC units to ENERGY STAR equipment. The

primary market barriers for these appliance upgrades include high replacement cost, lack of awareness of the energy drain of current appliances, and the benefits of purchasing energy-efficient models. The objective of the Residential Appliance Recycling program is to overcome these barriers via customer education and financial incentives to these customers.

The Central Hudson marketing plan includes:

6.4.1 Overall Messaging

The overall messaging for the Residential Appliance Recycling marketing will be consistent with Central Hudson's branding and emphasize that this program is another way Central Hudson is helping customers reduce their energy bills. Key benefits for homeowners include:

- Reduced energy usage
- Payback timeframes for investing in energy-efficiency appliances/measures
- Environmental benefits, such as reducing carbon footprint
- Improving the safety, health, comfort, and value of the home

Key benefits for participating retailers include:

- Increased revenue
- Differentiate their company by promoting environmentally friendly products and/or services
- Align with brand and programs of trusted utility
- Improve customer satisfaction (energy affordability, safety, and value of their home)
- Increase knowledge and training of staff
- Leverage marketing opportunities for their company

6.4.2 Consumer Marketing

Customers are looking for ways to reduce energy consumption in their home but may not know how much energy their appliances consume. The Residential Appliance Recycling program will educate customers as well as drive participation. The media mix may include cable television awareness advertising, AC turn-in event marketing, and bill inserts. In addition, program call center representatives will answer customer questions, schedule and confirm the appliance collection date and instruct customers on preparing their home and appliance for the appointment.

6.4.3 Awareness Advertising

This plan includes limited cable television advertising to generate program awareness and participation during peak months. Central Hudson has produced or purchased the rights to several 30-second commercials showcasing the Residential Appliance Recycling program. Cable advertising will be broadcast on Time Warner Cable systems, which covers highly populated areas in the Central Hudson service territory and Cablevision, which includes the Fishkill and expanded Poughkeepsie areas. Potential networks to advertise include HGTV, ESPN, The Weather Channel, Bravo, FOX News, and TNT.

In addition to television advertising, bill inserts with pertinent program information will be sent to customers 2 to 3 times per year to promote the program.

6.4.4 Event Marketing

Central Hudson will participate at local events such as energy efficiency seminars, community fairs and business expos to raise awareness for the program and generate inquiries. Point-of-sale materials will be distributed.

6.4.5 Website

Appliance Recycling will be promoted by driving customers to the Central Hudson energy efficiency website www.SavingsCentral.com. At the website, customers will be able to find program details, participating retailers, eligible appliances, incentive amounts and rebate forms. The website will allow residential customers to navigate to schedule an appliance pick-up.

6.4.6 Retailer Partnerships

Appliance retailer partnerships in the form of point-of-sale programs are a sensible, cost-effective way to prevent additional units from entering the used-appliance market, where many of them will return to the electric grid. The remainder will often be processed improperly, if at all, to remove hazardous components and materials at end of life. Sears has expressed interest in working with Central Hudson's implementation contractor in the Poughkeepsie, Newburgh and Kingston markets.

Central Hudson will work with appliance retailers within the service territory to distribute point-of-sale materials highlighting program benefits (promoting retailer program). Retailer point-of-sale program promotion helps prevent the introduction of secondary refrigerators and freezers to the electric grid by Central Hudson's customers purchasing new units. POS materials in retail appliance stores would focus on those customers purchasing a new appliance by presenting them with information on Central Hudson's Residential Appliance Recycling program to encourage qualifying consumer participation. The implementation contractor will provide personalized in-store training materials for retail sales representatives on details of the program.

- (d) A timeline for the development, implementation and evaluation of the outreach and education/marketing efforts;

The implementation timeline, shown in Table 30, details the key tasks and preliminary schedule for the Residential Appliance Recycling program:

Table 30: Residential Appliance Recycling Program Startup & Operations Timeline *

<u>Outreach and Education / Marketing Task</u>	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Point-of-service flyers, posters and brochures												
Direct mail												
Community packets												
Email												
School promotion												
Bill inserts												
Print ads												
Gas station ads												
Mall ads												
Television ads												
Social media												
News Releases												

- (e) How the outreach and education/marketing plans relate to the company's general outreach and education/marketing plans:

The Residential Appliance Recycling program marketing budget is separate, distinct, and incremental from Central Hudson's general marketing program. Where possible, the Central Hudson general marketing messaging will include energy efficiency program information and/or links.

- (f) The efforts that will be undertaken to minimize any overlap and/or customer confusion that may result from outreach and education/marketing activities in the same or adjacent market areas.

In order to minimize overlap and customer confusion, Central Hudson has developed collaborate relationships with various entities, including neighboring utilities and NYSERDA, and refers both customers and contractors accordingly. In addition, Central Hudson continues to develop its website www.SavingsCentral.com, which directs customers and contractors to the correct sector and available service.

6.5 *Descriptions of roles and responsibilities of the utility and all program contractors*

Central Hudson staff will administer the program utilizing an implementation contractor. In conjunction with the implementation contractor, Central Hudson will perform marketing activities, trade ally recruitment, customer screening and enrollment, and program tracking. The implementation contractor will be mainly responsible for retailer management, trade ally training, reporting, rebate processing, manage an Energy Efficiency call center, and program closeout.

Central Hudson will be responsible for all reporting to Staff including monthly scorecard, quarterly scorecard, and annual reporting. A separate contractor will be used to perform a process evaluation of the program. An additional evaluation contractor may need to be contracted for impact evaluation or Central Hudson may jointly procure an impact evaluator with NYSERDA and the other utilities in the State as discussions continue during the Evaluation Advisory Group meetings. Central Hudson may contract with other marketing, engineering and evaluation firms when deemed necessary and within the allowable program budget.

Central Hudson is currently researching a system wide tracking system in which each implementation contractor will submit program information on an on-going basis. By having one centralized system, Central Hudson will be able to generate automatic reporting that is easier and more accurate.

6.6 *Procedures for customer enrollment*

Customer enrollment will be performed through the implementation contractor or through the customer call center as follows:

Customer Call Center

There will be a toll free telephone access for all persons who call the Central Hudson Residential Appliance Recycling program hotline. The majority of calls will be from program participants while a fair number will also be from retailer contacts. All calls to Central Hudson's Residential Appliance Recycling program Call Center will be handled by knowledgeable Customer Service Representatives (CSR's) who understand and have access to current program information. These individuals will provide the first level of support, often being the only point of contact that the customer requires.

Callers will be greeted by live operators Monday through Friday (8:00 AM to 11:00 PM) and Saturday (10:00 AM to 9:00 PM). Staffing levels and hours of coverage will be adjusted to meet campaign needs or as other factors affecting call volumes and times warrant. After-hour callers will be greeted by an automated response that will provide the website address for customers to self-schedule a collection appointment 24 hours a day, advising them of coverage

hours, and allowing them to leave a message requesting a call back on the next business day.

Internal quality assurance audits will be conducted by listening in on randomly-selected calls, both announced and unannounced to the CSR, and by conducting weekly analyses of call volumes and other metrics handled by each CSR, as well as such metrics as abandoned calls and escalated calls.

Screening Process

Call Center representatives will verify customer eligibility by one or more of the following:

- Asking for the Central Hudson account number
- Asking for the home address

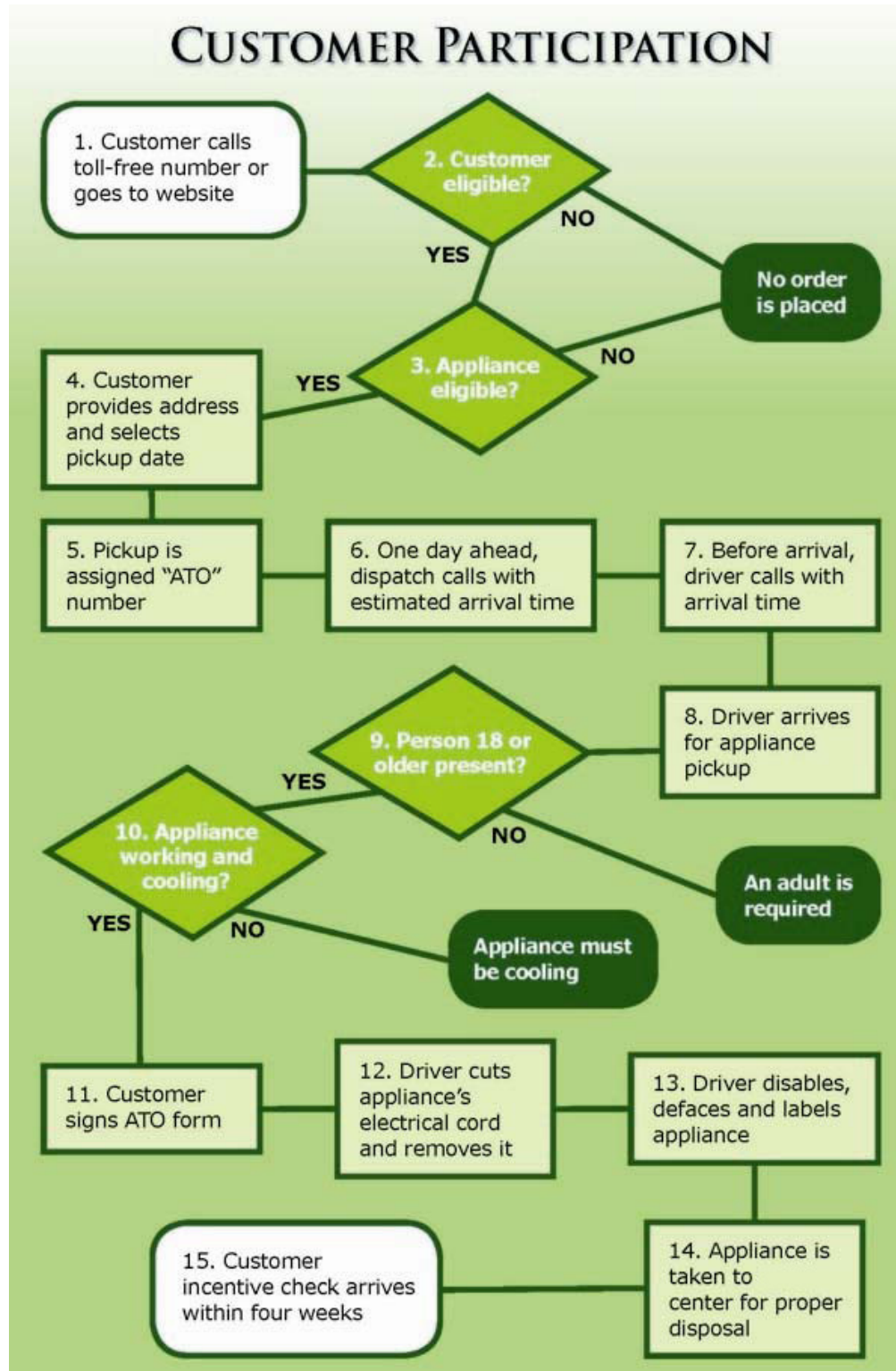
Documentation and Tracking

All calls from customers and retailers, in all programs, will be electronically documented and tracked in tracking database software, which will then be uploaded to Central Hudson's program database.

Referrals to Other Programs

Call Center representatives will be fully trained to guide customers and contractors to energy efficiency programs that may be relevant to them and that are outside the scope of these particular programs. The representatives will be able to supply, over the phone, the minimum contact information needed to reach the managing agency including NYSERDA and other utilities in New York State.

Customer Participation Flow Chart



In-Home Appliance Collection

➤ **Collection Procedure**

Appliance pickups will be performed Monday through Saturday from 7:30 a.m. to 6:00 p.m. Each customer is given a two- to four-hour timeframe for the collection appointment. The entire collection appointment will typically take 10 to 15 minutes. After arriving at the customer's home, the two-person collection team is required to follow these procedures:

1. The driver checks doorway widths and the exit route to determine the easiest and safest route to remove the appliance. If necessary, the driver removes any handrails or doors from hinges that may obstruct unit from being removed.
2. The driver checks the customer's Appliance Turn-in Order (ATO) and verifies the accuracy of appliance data collected during appointment scheduling. If any information is incorrect, the driver records the new data.
3. The driver examines the appliance to verify that it is operational (refrigeration appliances must be able to cool) and that it meets all program eligibility requirements. When the appliance does not meet all requirements, the driver does not accept it from the customer. The driver records the appropriate disposition code to indicate that the appliance did not meet program requirements and gives the customer written documentation for the refusal.
4. The homeowner or guardian provides a signature releasing ownership of the appliance to the implementation contractor, and the driver gives the customer a pre-printed receipt for the transaction.
5. The team tapes shut the appliance doors and either straps the unit on the handcart or uses appliance straps to carefully and safely remove it from the home to prevent property damage or employee injury.
6. If doors or railings have been removed to clear an exit path, the driver and helper replace those items before leaving the home.
7. The team leaves the home after thanking the customer for participating and loads the appliance onto the truck.
8. The team disables and defaces the appliance, as described below, and then secures the unit in the truck and returns the toolbox to its appropriate place in the truck.
9. The driver calls the contact person for the next appointment to notify the customer that he or she will arrive shortly.

➤ **Permanent Disabling of Appliances Onsite**

Research shows that nearly 10 to 15 percent of used appliances re-enter the market, even after the appliances are said to be "recycled." During the Residential Appliance Recycling program, all appliances are permanently removed from the power grid and are never resold into the used appliance market.

To achieve the intent of the program, the driver first verifies that the unit is operational and eligible for the program. Then, after the crew removes the appliance from the home but before leaving the premises, the crew performs an essential series of steps to permanently prevent each appliance from ever being resold into the used appliance market, as follows:

1. Cuts the power cord.
2. Punctures the side with a hammer to determine and record whether insulation is foam.
3. Removes the door seal.
4. Destroys any mechanical door mechanism.
5. Breaks the temperature control mechanism with a hammer.
6. Spray-paints a large red "X" on the appliance to permanently deface the front of unit.
7. Writes the crew's initials on the side of the unit with a permanent marker.
8. Permanently labels it with a tracking number to be verified upon receiving at the processing center.

These steps are crucial and verifiable actions that assure the customer and Central Hudson that collected appliances are never returned to service in domestic or international markets.

➤ **Appliance Processing and Recycling**

Below is the overview of the refrigerator processing system:

For Foam Units:

1. Glass shelves, metal, plastic and other materials are removed from refrigerator. Materials are delivered to licensed recycling facility.
2. A certified technician removes all capacitors at the component removal station.
3. Refrigerator's compressor is positioned to evacuate chlorofluorocarbon (CFC) and oil simultaneously through the process tube.
4. Large metal, plastic, and glass pieces are removed from the appliance.
5. The refrigerator is sawed apart before polyurethane foam removal.
6. Inner and outer shells are separated from the polyurethane foam.
7. Foam is collected in sealed, rugged plastic bags for transport to a Responsible Appliance Disposal (RAD) approved incinerator.

For Non-Foam Units:

1. Glass shelves, metal, plastic and other materials are removed from refrigerator. Materials are delivered to licensed recycling facility.
2. A certified technician removes all capacitors at the component removal station.
3. Refrigerator's compressor is positioned to evacuate CFC's and oil simultaneously through the process tube.
4. Large metal, plastic, and glass pieces are removed from the appliance.
5. Refrigerator is placed in baler to be compacted before delivery to a metals recycler.

➤ **Incentive Fulfillment**

Customers receive their rebate checks approximately four weeks after appliance collection, which is accomplished through the following procedures:

1. During the billing process, the implementation contractor staff creates a file with rebate information for each qualifying customer.
2. The implementation contractor staff transmits the file electronically to a third-party fulfillment company for check printing and first-class mailing.
3. After checks are mailed, the implementation contractor receives an electronic register of the transactions.
4. The implementation contractor staff compares the rebate fulfillment company's list with the original file to ensure that all checks were mailed as planned.

Because data about each check is captured with the implementation contractor's ATO system, Central Hudson can access this information via the Internet in real-time format. This data feature, which includes the check number and date the check was mailed to the customer, greatly enhances the ability to answer customer inquiries on check status. Detailed documentation is kept for every transaction and is easily accessible to program staff in real-time format via a secure website so that the utility is always aware of the commitment status for program rebates.

Retailer In-Store Turn-In for Room Air Conditioners

Central Hudson will coordinate efforts with retailers of ENERGY STAR-qualified room air conditioners to discuss the option of serving as designated locations for Central Hudson customers to turn in their old, operating room air conditioners for participation in the Residential Appliance Recycling program. Currently, Sears has expressed interest in having their stores in the Poughkeepsie, Newburgh and Kingston markets serve as room AC turn-in centers for the program.

For the consumer, the program would work as follows:

1. The participating retailer promotes the program with in-store materials provided by Central Hudson.
2. A consumer takes his or her old, operating (cooling) appliance to the retailer's location.
3. The retail associate confirms the consumer's eligibility as a Central Hudson customer through verification of the name on a Central Hudson utility bill compared to the customer's photo identification.
4. The retail associate writes the customer's utility account number in indelible ink on the old room AC.
5. The retail associate provides the customer with Proof of Recycling Certificate, on which the customer affirms that the room air conditioner being turned in for recycling is in working (cooling) condition.
6. The customer purchases a qualifying ENERGY STAR air conditioner from the retailer.

7. The customer completes the Air Conditioner Rebate Application and mails it, along with the receipt for the new room AC and the signed Proof of Recycling Certificate, to the rebate-processing center. The customer's rebate check should arrive within 4-6 weeks.

Once the retailer has collected a minimum of twenty (20) room AC's (or other amount as agreed upon by Central Hudson and the retailer, the retailer will complete an Appliance Delivery Receipt (ADR), which will list the number of units collected, location, date, and signatures of the retailer's representatives. The implementation contractor will then load the appliances onto a trailer for delivery to their regional recycling center. The implementation contractor will test a random selection of units from each retailer to verify that units being turned in are in working condition.

One-Day Turn-In Events for Room Air Conditioners

Central Hudson will coordinate efforts with a major appliance retailer to promote a one-day opportunity for consumers to purchase new AC's from the retailer and turn in their old, operating units on the same day.

For each event, a collection station will be set up in a retailer's parking lot or other designated location and provide the following services:

1. On-site verification of customer eligibility through Central Hudson account numbers and database information containing customer names, addresses and account numbers.
2. Collection of customer and appliance information to facilitate rebate payments and to gather data to project energy and environmental savings.
3. Labor to unload the old AC's from customers' vehicles.
4. Securing written affirmation by the customer that the room air conditioner is in working (cooling) condition and supplying a Proof of Recycling Certificate for participation in Central Hudson's Residential Appliance Recycling rebate program with the purchase of a qualifying room AC.
5. Loading the appliances onto a trailer for delivery to a regional recycling center.

All room AC's will be transported to the implementation contractor's regional recycling facility for processing to manage all environmentally damaging and recyclable materials according to all applicable regulations.

6.7 Training for retail partners

There are two types of retail interaction used in marketing Appliance Recycling: participating and promoting retail sponsorship. With a participating retailer, there is a full cycle of program sponsorship, from displaying brochures to appliance pick-up assistance. While a participating retailer drastically increases program participation, Central Hudson will work with all appliance retailers within the service territory to distribute point-of-sale (POS) materials highlighting program

benefits (promoting retail sponsorship). POS materials in retail appliance stores focus on those customers purchasing a new appliance and presents recycling program information to help aide removal of the secondary unit. Table 31 is a simplified breakdown of the two types of retail sponsorship:

Table 31: Residential Appliance Recycling Program Retail Sponsorship

Promoting Retailer	Participating Retailer
Places POS literature in store and implementation contractor trains sales personnel on program guidelines	Places POS literature in store and implementation contractor trains sales personnel on program guidelines
Customer schedules appointment	Retailer enrolls customer in program and schedules delivery/collection
Implementation contractor verifies eligibility of old appliance and collects it for recycling	Retailer verifies eligibility of old appliance and collects it for recycling by implementation contractor when new appliance is delivered

The POS materials for retailers include rack cards (4 x 9 inch) displayed at the checkout counter in a tear-off pad or rack cardholder. Also, 11 x 17 inch or 24 x 36 inch posters, when possible, are often displayed at the checkout area as well. Signage is minimal, as the program is presented to the retailer as an added value to their customers once an appliance purchase is made. The POS materials are not used on the sales floor to influence sales or compete with other marketing collateral.

6.8 Contractor training and program orientation plan

Central Hudson will perform contractor training as needed for this program. Currently, the program is managed through an implementation contractor, and the program structure does not require Trade Allies.

6.9 Contact information for customer inquiries and complaints

Customers will be able to contact Central Hudson representatives via a toll-free hotline. Program success hinges not only on performance in the field during program delivery, but also on the quality and responsiveness of pre- and post-implementation customer services. While the entire quality assurance philosophy is centered on doing the job right the first time and every time, it is acknowledged from experience that unforeseen situations can occur. Central Hudson is fully prepared to respond to these with the goal to try and minimize the customer inconvenience from the program in any way. Central Hudson will make every attempt to resolve service deficiencies, ensuring satisfaction of the customer. All

documentation related to customer comments, complaints, and complaint resolution will be kept on file.

6.10 Training for appropriate trade allies

Central Hudson will provide personalized support and training to appliance retailers within Central Hudson's service territory and distribute point-of-sale materials highlighting program benefits and emphasizing retailer point-of-sale program promotions to prevent the introduction of secondary refrigerators and freezers to the grid by customers purchasing new units. Central Hudson will train retail appliance store staff members to focus on those customers purchasing a new appliance by presenting them with information on Central Hudson's Residential Appliance Recycling program to encourage qualifying consumer participation.

6.11 Contractor training and program orientation plan

Central Hudson and the implementation contractor will provide personalized support and in-store training for retail sales personnel to explain how the program works. Areas of emphasis during the training include:

- Consumer benefits of purchasing an ENERGY STAR qualified room AC.
- Program guidelines, including customer and appliance eligibility.
- Familiarity with POS materials.
- Procedures for customer participation.

The training sessions with retail sales representatives will stress that the program goal is to promote energy efficiency through appliance replacement and recycling. Therefore, Central Hudson will emphasize to retailers that we will test a random selection of units from each retailer to verify that units being turned in are in working condition to ensure that the program is not used as a free haul-away service for nonworking appliances. Follow-up visits with each retailer will be made to replenish POS materials, answer questions and train employees who had not participated in the initial training.

6.12 Quality assurance plan

The purpose of the quality assurance plan is to assure that the equipment specified on the application is operational and collected as required. A Central Hudson representative will randomly inspect the on-site appliance collection processes and make site visits to inspect the recycling facility processes.

During the Residential Appliance Recycling program, the implementation contractor will set up an Appliance Turn-in Order (ATO) system that will enable unit information tracking and reporting. At the time the customer schedules a

pickup appointment; appliance information is collected and recorded in an order entry screen, identifying the size, color and brand of the unit. When the driver arrives at the customer's home and further qualifies the appliance, unit amps, defrost type and specific model type are collected for entry into the ATO database. This data will be reported through the ATO system's program manager web portal. The implementation contractor's client support coordinators will compile weekly technical reports that will reflect program activity from the previous week.

Quality deficiencies must be handled sensitively as not to disrupt relationships between trade allies and their customers. If a serious deficiency which may put a customer at risk (gas leaks, carbon monoxide issues, electrical code violations, etc.) is discovered, a Central Hudson representative will immediately notify the customer of the situation and in most cases remain on site until it is assured that corrective actions are in process.

Minor deficiencies will be reported to the contractors first, in order for them to have the opportunity to make corrections. Follow up phone calls will be made to customers who have minor deficiencies in order to ensure that corrective actions have been addressed by the trade ally. Central Hudson will monitor and report deficiencies in order to provide continuous contractor feedback. Central Hudson will work to determine protocols for a contractor that needs to be removed from program participation based on poor performance.

All rebate applications will be scrutinized to ensure that equipment specification meet program guidelines.

6.13 Coordination with other New York energy efficiency programs

Central Hudson is an active participant on the Energy Efficiency Program Administrator Collaborative (EEPAC) with NYSEERDA and the other New York State utilities. Central Hudson is an active participant on the Steering Committee and working groups discussing double dipping / counting, referrals, contractor qualifications, training, and collaborative outreach.

Central Hudson has participated in numerous conference calls and meetings with the other utilities in New York State to discuss program operation and structure to minimize market confusion and promote best practices.

6.14 Evaluation plan

A process evaluation report for this program is under final revisions before being submitted to DPS Staff. A revised impact evaluation plan is under development to include additional evaluation activities currently planned for 2012 – 2015.

7. Home Energy Reporting Program

The purpose of the Home Energy Reporting Program is to help Central Hudson's residential customers make behavioral changes in regards to energy usage when seeing how they compare to that of their "neighbors." The targeted 100,000 customers to receive the home energy reports during the 15-month duration will be based on energy consumption patterns, housing data, past program participation, and demographic area.

The Central Hudson Home Energy Reporting program has the objective to promote energy efficient behavior to a targeted group of customers. OPOWER and Central Hudson will work together to randomly select 100,000 initial residential designated customers and an accompanying control group (up to 100,000). Initially 70,000 electric-only customers will receive reports and 30,000 electric and gas customers will receive combination reports.

The program provides information and education to utility customers about their energy use and demand and low-cost measures, practices or behaviors to reduce them. This program falls under the category of "behavior-based" energy efficiency measures. Information about energy consumption and demand and savings tips is intended to increase awareness and understanding of energy use and savings opportunities. It is hypothesized that after customers become educated, they will be more likely to adopt practices and measures leading to more efficient energy use in their homes.

7.1 Annual energy savings & budgets by spending category including descriptions of expenditures within each category⁴

Table 32: Home Energy Reports Energy Savings Targets

Year	2012	2013	2014	2015	Total
MWh Savings	6,000	6,000	6,000	6,000	24,000
Dekatherm Savings	10,000	10,000	10,000	10,000	40,000

⁴ In addition to the authorized budgets and savings targets from the October 25, 2011 Order, Central Hudson's Home Energy Reports programs (electric and gas) were authorized for calendar year 2012 in the Order on Rehearing and Granting Petition for Rehearing, Issued and Effective December 3, 2010. 2012 Budgets and targets for this program have been included in this filing for completeness. The 2012 budgets in this document differ from that in the approving Order. These expenditures are based on the schedule and original implementation plan of this program, which included more spending in year 2011, and less in 2012. The total 2011-2012 cumulative budgets for the program and energy savings are the same as those in the Order.

Below, please find Table 33 and 34 showing the annual and cumulative budgets and energy savings for 2012-2015 for the Electric and Gas components of the Home Energy Reporting program:

Table 33: Annual budgets by spending category – Home Energy Reports Program (Electric)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2012 - 2015 Total</u>
General Administration	\$18,814	\$18,814	\$18,814	\$18,814	\$75,256
Direct Program Implementation	\$97,222	\$375,911	\$375,911	\$375,911	\$1,224,955
Program Evaluation	\$41,937	\$20,775	\$20,775	\$20,775	\$104,262
Total	\$157,973	\$415,500	\$415,500	\$415,500	\$1,404,473

Table 34: Annual budgets by spending category – Home Energy Reports Program (Gas)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2012 - 2015 Total</u>
General Administration	\$14,603	\$14,603	\$14,603	\$14,603	\$58,142
Direct Program Implementation	\$32,408	\$116,972	\$116,972	\$116,972	\$383,324
Program Evaluation	\$12,313	\$6,925	\$6,925	\$6,925	\$33,088
Total	\$157,973	\$138,500	\$138,500	\$138,500	\$474,824

7.2 Eligible measures and associated customer incentives

This program is not designed to have eligible measures that Central Hudson's customers are required to install in order to take advantage of the program. Consequently, customer incentives are not part of the program as well. The MWh and therm savings are based on customer behavioral changes to make more energy efficient choices.

7.3 TRC Benefit Cost Testing

Central Hudson has conducted a preliminary Total Resource Cost test for this program in year 2012 at the approved budgets and estimated energy savings. This program passes the TRC test with a score of 3.5 and 2.0 for electric and gas respectively.

7.4 Target customer market and detailed marketing plan

No additional marketing is needed outside of the costs to produce and send the Home Energy Reports therefore there are \$0 allocated to Program Marketing.

Although no specific marketing plan is in place, this program in itself is considered a marketing program. Central Hudson is marketing and promoting behavioral change to its customers to make more energy efficient choices through the delivery of these Home Energy Reports.

Central Hudson serves approximately 255,000 electric residential customers and 62,000 gas residential customers. For the Home Energy Reporting Program, 110,000 Designated Customers will receive reports and an accompanying control group (up to 110,000) will be selected. OPOWER will perform historical energy usage, demographic and geographic research, in conjunction with Central Hudson, to identify the regions of Central Hudson's territory best suited to deploy the pilot program.

Approximately 80,000 electric customers will receive electric only reports and 30,000 gas and electric customers will receive electric-gas combination reports. OPOWER and Central Hudson will work together to determine the final breakdown to best achieve the energy saving goals set out for the program. The following criteria are used to select Designated Customers:

- Energy consumption patterns (e.g., normalized high seasonal peak, high base load, etc.)
- Housing data (e.g. age of house, size of house, value of home, type of construction, presence of a pool, presence of a garage)
- Past program participation & rebate redemption (e.g. Energy Star and other rebates; rate programs, etc.)
- Demographic data (e.g. renter vs. homeowner, presence of children in the household, indicators of interest in environmental issues, age of

customer, duration of residence, socioeconomic/income levels, as available)

Reports, in general will be mailed out bi-monthly. The frequency of reports may increase at times where they can drive greater savings, such as early engagement or seasonal reports to take advantage of the potential for gas savings in the winter.

The program budget is separate, distinct, and incremental from Central Hudson's general marketing program. This program is directed towards the Designated Customers whom are chosen on defined criteria. Where possible, the marketing messaging will include program information.

Participation in the OPOWER is not on an opt-in basis. Customers are chosen to participate based on defined criteria. Central Hudson is the only entity in its service territory using OPOWER as an Energy Efficiency program. Central Hudson is also actively participating in the "Joint Utility" / NYSERDA EEPAC Referrals Working Group to collaborate with NYSERDA and the other utilities in the State on the best way to refer customers to each other's programs.

7.5 *Descriptions of roles and responsibilities of the utility and all program contractors*

Central Hudson provides information confidentially to OPOWER including program customer data files, marketing materials, service territory, and customer demographic data. This information is crucial for OPOWER to choose and produce reports to the chosen Designated Customers.

OPOWER uses information provided from Central Hudson to choose the 100,000 gas and electric customers that meet the defined criteria. Once reports arrive in customer's homes, the transfer of data from Central Hudson to OPOWER will be provided weekly from Central Hudson's IT department. These files will provide the latest meter reads of the Designated Customers. Once OPOWER sees an updated read for the month, usage values will be calculated and a new report will be produced.

7.6 *Procedures for customer enrollment*

Customers cannot opt-in to participate in this program. Only the 100,000 Designated Customers selected will receive reports.

7.7 *Training for retail partners*

This is not a necessary component for the implementation of this program.

7.8 Contractor training and program orientation plan

This is not a necessary component for the implementation of this program.

7.9 Contact information for customer inquiries and complaints

Customers will be able to contact Central Hudson representatives at (845)-486-5221. Customers will also be provided with access to an email address and website to get their questions answered.

Central Hudson is fully prepared to respond to any customer inquiries and complaints with the goal to try and minimize the customer inconvenience from the program in any way. Central Hudson will make every attempt to resolve any deficiencies, ensuring satisfaction of the customer. All documentation related to customer comments, complaints, and complaint resolution will be kept on file.

7.10 Quality assurance plan

A quality assurance plan is not applicable for the implementation of this program. See section 2.13 Evaluation Plan.

7.11 Coordination with other New York energy efficiency programs

Central Hudson is an active participant on the Energy Efficiency Program Administrator Collaborative (EEPAC) with NYSERDA and the other New York State utilities. Central Hudson is an active participant on the Steering Committee and working groups discussing double dipping / counting, referrals, contractor qualifications, training, and collaborative outreach.

Central Hudson has participated in numerous conference calls and meetings with the other utilities in New York State to discuss program operation and structure to minimize market confusion and promote best practices.

7.12 Evaluation plan

An evaluation plan for this program is currently under development. This evaluation plan will include all process and impact evaluation activities currently planned for 2012 – 2015.

8. Residential HVAC Program (Gas)

Table 35: Residential HVAC Energy Savings Targets

Year	2012	2013	2014	2015	Total
Dekatherm Targets	15,097	15,097	15,097	15,097	60,388

Table 36: Estimated Annual Customer Participation - Residential HVAC Equipment Installations

Measure Type	Year	Installations
Furnace	2012	450
	2013	450
	2014	450
	2015	<u>450</u>
	Total	1,800
Boiler	2012	220
	2013	220
	2014	220
	2015	<u>220</u>
	Total	800
Duct and Air Sealing	2012	30
	2013	30
	2014	30
	2015	<u>30</u>
	Total	120
Boiler Reset Control	2012	60
	2013	60
	2014	60
	2015	<u>60</u>
	Total	240
Programmable Thermostat	2012	375
	2013	375
	2014	375
	2015	<u>375</u>
	Total	1,500
Indirect Water Heater	2012	80
	2013	80
	2014	80
	2015	<u>80</u>
	Total	320

8.1 Annual energy savings and budgets by spending category including descriptions of expenditures within each category

Table 37: Annual budgets by spending category - Residential HVAC Program (Gas)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2012 - 2015 Total</u>
General Administration	\$14,576	\$14,576	\$14,576	\$14,576	\$58,304
Program Marketing	\$28,150	\$28,150	\$28,150	\$28,150	\$112,600
Trade Ally Training	\$8,089	\$8,089	\$8,089	\$8,089	\$32,356
Incentives & Services	\$283,950	\$283,950	\$283,950	\$283,950	\$1,135,800
Direct Program Implementation	\$26,923	\$26,923	\$26,923	\$26,923	\$107,692
Program Evaluation	\$19,036	\$19,036	\$19,036	\$19,036	\$76,144
Total	\$380,724	\$380,724	\$380,724	\$380,724	\$1,522,896

Request for additional funds:

Central Hudson estimates that in order to meet this target, the program's ANNUAL participation for years 2012-2015 will have to exceed the TOTAL CUMULATIVE participation levels experienced in 2009-2011.⁵ In effect, Central Hudson must achieve more than triple the historical annual participation levels to meet the energy savings goals. Adequate funding levels for administration, marketing, implementation, and trade ally training will be required to support the marked increase in participation levels, which the approved budget does not support.

⁵ Year end estimates for cumulative savings for 2009-2011 are approximately 145,000 therms. This is less than this program's annual goal of 150,970 for each year from 2012-2015.

Central Hudson calculates that \$283,950 worth of incentives will be required to support the participation necessary to meet the energy savings goal of 150,970 Therms per year. Since \$19,036 per year is explicitly allocated to evaluation, only \$77,738 of the approved annual budget remains for administration, marketing, trade ally training, and direct program implementation (COMBINED) based on the total of \$380,724. Clearly, this funding is not adequate to meet the marketing, administration, training, and implementation requirements of this program.

Central Hudson will submit a request for additional funds in order to meet the program goals. Central Hudson estimates that an ADDITIONAL \$189,000 is required to meet the program goal, for a total program budget of approximately \$570,000. Central Hudson has verified that the program is still cost effective at this funding level, with a TRC of 2.1.

Target Adjustment Consideration:

As per the notice (SAPA 07-M-548SP43) soliciting comments to the proposed changes in program targets due to Technical Manual issues, released August 17, 2011, Central Hudson has requested a 36% reduction in the cumulative 2009-2011 target for The Residential Gas HVAC program. Central Hudson is currently awaiting a PSC Order which may address this request. In the event that this request would ultimately reduce targets for years 2012-2015, Central Hudson encourages the Commission to consider applying a proportional downward adjustment to the proposed annual budget of \$570,000, NOT the current annual budget of \$380,724, in order to ensure the program target is attainable. It is worth noting that with the precise target reduction requested (36%), the current program budget becomes closely aligned with the target based on this ratio.

8.2 Eligible measures and associated customer incentives

Current Incentives

Below, please find Table 38 showing current incentive schedule for eligible measures in the Residential Gas HVAC Program, consistent with the approved levels for 2010-2011. These incentive levels are expected to be maintained throughout the first quarter of 2012.

Table 38: Residential HVAC Gas Program Incentives to Participating Customers

Equipment Type	Minimum Performance	Incentive
Furnace	AFUE >= 90%	\$140
	AFUE >= 92%	\$140

	AFUE >= 92% with ECM Fan	\$280
	AFUE >= 94% with ECM Fan	\$420
	AFUE >= 95% with ECM Fan	\$420
Water Boiler	AFUE >= 85%	\$350
	AFUE >= 90%	\$700
Steam Boiler	AFUE >= 82%	\$350
Boiler Reset Control	N/A	\$70
Indirect Water Heater	N/A	\$210
Programmable Thermostat	Installed w/ qualified heating system	\$18
Duct/Air Sealing	N/A	Up to \$420

Proposed Changes to Incentives

Central Hudson is in the process of re-evaluating the measure offerings and rebate levels for this program. The current rebate levels will be maintained through the first quarter of 2012 to allow adequate time to design a new incentive schedule, seek approval from the Director of the Office of Energy Efficiency and the Environment through the program flexibility protocols, develop new rebate forms and program informational materials, and train trade allies on the program changes. Central Hudson plans to revise the program's incentives for the following reasons:

- To create a better alignment of program incentive spending and associated savings. Rebate levels will be evaluated on a \$/therm basis in order to most effectively meet program goals using the incentive budget available.
- To promote & sell measures with the highest energy savings by providing a higher incentive to customers.
- Eliminating measures that do not have a high potential to generate savings due to relatively low efficiency levels, high cost, or lack of customer interest.

8.3 TRC Cost Benefit Testing

Central Hudson has conducted a preliminary Total Resource Cost test for this program in year 2012 at the approved budgets and estimated energy savings. This program passes the TRC test with a score of 2.5. However, Central Hudson estimates that an additional \$189,000 of non-incentive funding will be required to make the program goal attainable. At this funding level, the TRC of the program would be 2.1.

8.4 Customer Outreach and Education/Marketing

In compliance with the “Order Authorizing Efficiency Programs, Revising Incentive Mechanism, and Establishing a Surcharge Schedule” (Issued and Effective October 25, 2011), as directed in Ordering Clause 3, in this implementation plan, Central Hudson is including the following information related to its marketing in this section:

- (a) Specific budget amounts for each individual element of the outreach and education/marketing budget for each year of the program;

The outreach and education/marketing budget of the Residential Natural Gas program is shown in Table 39.

Table 39: Residential Natural Gas Program Marketing Budget

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2012 - 2015</u> <u>Total</u>
Program Marketing	\$28,150	\$28,150	\$28,150	\$28,150	\$112,600

These marketing costs are direct program costs and will be implemented to include the following items and quantities per year as shown in Table 40. The tactics in Table 40 are those that equal \$112,600 for the approved budget.

Table 40: Residential Natural Gas Program Direct Marketing Costs

	2012	2013	2014	2015	Total
Bill inserts	\$4,450	\$4,450	\$4,450	\$4,450	\$17,800
Brochures	\$2,500	\$2,500	\$2,500	\$2,500	\$10,000
Email blasts	\$0	\$0	\$0	\$0	\$0
Trade Ally newsletters	\$0	\$0	\$0	\$0	\$0
Direct mail	\$9,200	\$9,200	\$9,200	\$9,200	\$36,800
Co-branded promotions	\$12,000	\$12,000	\$12,000	\$12,000	\$48,000
Trade Ally events/training	\$0	\$0	\$0	\$0	\$0
Social media	\$0	\$0	\$0	\$0	\$0
Total	\$28,150	\$28,150	\$28,150	\$28,150	\$112,600

- (b) A list and description of the outreach and education/marketing vehicles to be used;

The below list of outreach and education/marketing vehicles will be used to promote this program and recruit customers to add or upgrade their appliances to energy-efficient natural gas equipment:

➤ **Bill Inserts**

Utility bill inserts continue to be the most productive and cost-effective method of motivating customers to participate, and they are an essential part of program sponsorship. Response rates range between 3 and 8%, which is very good when considering that these go to more than 250,000 customers.

➤ **Brochures**

Central Hudson designs and prints **brochures** and flyers that are handed out at Central Hudson's energy efficiency events. These brochures are also handed out by Trade Allies and inserted into residential packets, giveaways and press kits. The line item for brochures includes layout, design, file conversions, and printing costs.

➤ **Email**

Email blasts are a cost-effective approach to marketing energy efficiency to residential customers. Central Hudson's email blast service also has the advantage of tracking if and when customers open and click the message. Recipients also have the option of opting out at any time. As Central Hudson gathers more email addresses and takes advantage of customer relationship management (CRM) tools, it can take advantage of program-specific targeted emails.

➤ **Trade Ally newsletters**

Since Trade Allies are on the front lines when dealing with customers, regular communication with them is essential for this program. In addition to day-to-day interaction, Central Hudson sends monthly newsletters through email and regular mail. These communiqués include notification about coming events, highlighted energy efficiency measures, program changes, programmatic reminders and ideas for promoting energy efficiency.

➤ **Direct Mail**

Direct mail has been an effective marketing tactic to reach residential customers and explain how they can take advantage of rebates for purchasing new, energy-efficient equipment. Brief messages, reminders and announcements of new program offerings are appropriate for postcards, which have been effective.

➤ **Co-branded promotions**

Central Hudson may team up with larger retail outlets such as Sears or Lowe's, brands such as Carrier or Weil-McLean, and individual Trade Allies with budgets for co-branding to promote individual pieces of equipment such as natural gas boilers, furnaces or water heaters. This co-branding may include joint advertising, direct mail, email and other marketing and outreach tactics.

➤ **Trade Ally events/training**

Central Hudson presents dealer days, breakfasts, meetings and other events to meet with Trade Allies and promote rebates and promotions with individual energy efficiency measures. Central Hudson sometimes uses these events to train Trade Allies; and training may involve hands-on teaching with high-efficiency equipment.

➤ **Social Marketing**

Social media is media disseminated through social interaction using highly accessible scalable publishing techniques, which utilize modern resources such as the Internet, blogs and viral marketing tactics. Successful social marketing tactics may be handled and monitored by Central Hudson's Corporate Communications Department. Central Hudson regularly posts on Facebook details of energy efficiency rebates and offers for residential customers.

The target customer markets for the Residential Natural Gas program are 1) those customers who live in areas where Central Hudson has existing natural gas service, 2) customers who live in areas that are adjacent to homes/neighborhoods with natural gas service, 3) residential customers in these areas who have old or inefficient natural gas equipment, and 4) residential customers in these areas who have natural gas service at their home but have limited usage, such as natural gas service for a cooking or water heating.

The Central Hudson marketing plan includes:

8.4.1 Overall Messaging

The overall messaging for the Residential Natural gas marketing will be consistent with Central Hudson's utility branding and emphasize that this program is another way Central Hudson helps customers reduce their energy bills. Key benefits for homeowners include:

- Reduced energy usage
- Payback timeframes for investing in energy-efficiency measures
- Environmental benefits, such as reducing carbon footprint
- Improving the safety, health, comfort, and value of the facilities for employees and customers

Key benefits for participating Trade Allies include:

- Increased revenue
- Differentiate their company by promoting environmentally friendly measures/solutions
- Align with brand and programs of trusted utility

- Increase knowledge and training of staff
- Leverage marketing opportunities for their company

8.4.2 Event Marketing

Central Hudson will participate at local energy efficiency events such as energy efficiency seminars, chamber of commerce shows and the Dutchess County Fair, which is the second-largest fair in New York State. Brochures will be distributed.

8.4.3 Website

Energy efficiency for residential customers will be promoted by driving customers to www.SavingsCentral.com. At the website, customers will be able to find Trade Allies, program details, satisfied customer testimonials, rebate forms and incentive amounts.

- (d) A timeline for the development, implementation and evaluation of the outreach and education/marketing efforts;

The marketing timeline, shown in Table 41, details the key tasks and preliminary schedule for the Residential Natural Gas program:

Table 41: Residential Natural Gas Program Marketing Timeline

<u>Outreach and Education / Marketing Task</u>	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Bill inserts												
Brochures												
Email blasts												
Trade Ally newsletters												
Direct mail												
Co-branded promotions												
Trade Ally events/training												
Social media												

- (e) How the outreach and education/marketing plans relate to the company's general outreach and education/marketing plans:

The Residential Natural Gas marketing budget is separate, distinct, and incremental from Central Hudson's general marketing program. Where possible, the Central Hudson general marketing messaging will include energy efficiency program information and/or links.

- (f) The efforts that will be undertaken to minimize any overlap and/or customer confusion that may result from outreach and education/marketing activities in the same or adjacent market areas.

In order to minimize overlap and customer confusion, Central Hudson has developed collaborate relationships with various entities, including neighboring utilities and NYSERDA, and refers both customers and contractors accordingly. In addition, Central Hudson continues to develop its websites www.SavingsCentral.com and www.CentralHudson.com, which directs customers and contractors to the correct sector and available service.

8.5 *Descriptions of roles and responsibilities of the utility and all program contractors*

Central Hudson staff will administer the program utilizing an implementation contractor. In conjunction with the implementation contractor, Central Hudson will perform marketing activities, trade ally recruitment, customer screening and enrollment, and program tracking. The implementation contractor will be mainly responsible for retailer management, trade ally training, reporting, rebate processing, manage an Energy Efficiency call center, and program closeout.

Central Hudson will be responsible for all reporting to Staff including monthly scorecard, quarterly scorecard, and annual reporting. A separate contractor will be used to perform a process evaluation of the program. An additional evaluation contractor may need to be contracted for impact evaluation or Central Hudson may jointly procure an impact evaluator with NYSERDA and the other utilities in the State as discussions continue during the Evaluation Advisory Group meetings. Central Hudson may contract with other marketing, engineering and evaluation firms when deemed necessary and within the allowable program budget.

Central Hudson is currently researching a system wide tracking system in which each implementation contractor will submit program information on an on-going basis. By having one centralized system, Central Hudson will be able to generate automatic reporting that is easier and more accurate.

8.6 *Procedures for customer enrollment*

Customer enrollment will be performed through the trade ally chosen by the customer or through the customer call center as follows:

Customer Call Center

There will be telephone access for all persons who call the Central Hudson's Call Center. The majority of calls will be from program participants while a fair number will also be from retailer contacts. All calls to Central Hudson's Energy Efficiency Call Center will be handled by knowledgeable Customer Service Representatives

(CSR's) who understand and have access to current program information and offerings. These individuals will provide the first level of support, often being the only point of contact that the customer requires.

Callers will be greeted by live operators Monday through Friday. Staffing levels and hours of coverage will be adjusted to meet campaign needs or as other factors affecting call volumes and times warrant. After-hour callers will be greeted by an automated response that will provide the website address and information about normal business hours and allowing them to leave a message requesting a call back on the next business day.

Internal quality assurance audits will be conducted by listening in on randomly-selected calls, both announced and unannounced to the CSR, and by conducting weekly analysis of call volumes and other metrics handled by each CSR, as well as such metrics as abandoned calls and escalated calls.

Screening Process

Call Center representatives will verify customer eligibility by one or more of the following

- Asking for Central Hudson account number
- Asking for home address
- Determining the type of HVAC equipment in use at the site

Documentation and Tracking

All calls from customers and contractors, in all programs, will be electronically documented and tracked in tracking database software, which will then be uploaded to Central Hudson's program database.

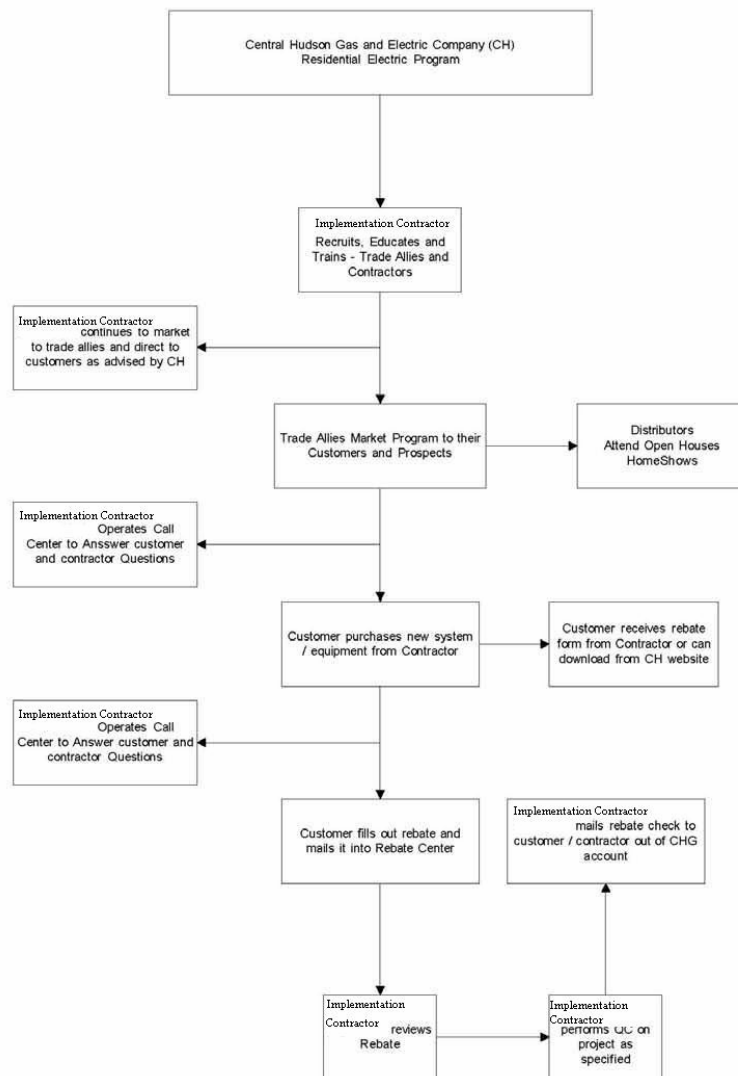
Referrals to Other Programs

Call Center representatives will be fully trained to guide customers and contractors to energy efficiency programs that may be relevant to them and that are outside the scope of these particular programs. The representatives will be able to supply, over the phone, the minimum contact information needed to reach the managing agency including NYSERDA and other utilities in New York State.

Trade Ally

The customer will be driven to our website through marketing outreach through newspaper ads, bill inserts, television commercials, etc. Participants can choose a trade ally of their choice through a network of qualified insured installers that have gone through approval by Central Hudson.

Program Flow Chart



8.7 Training for retail partners

Retail partners training will not be needed for this program. Availability of eligible equipment will be monitored through Central Hudson's trade ally network.

8.8 Contractor training and program orientation plan

Recruitment

Communication methods to recruit contractors include email, telemarketing, direct sales and web bulletins posted. Additional direct selling and marketing efforts will be used to recruit qualified contractors.

Central Hudson will host Contractor Recruitment Seminars as needed to meet program goals and requirements. Breakfast and lunch seminars will be held at local restaurants, hotels, or on Central Hudson property. Interested contractors can attend to find out more about the program and receive information on training, rebates, how program participation can grow their business and information on the sales support tools that will be made available to them.

Identified organizations include:

- NECA (National Electrical Contractors Association)
- Construction Contractors Association
- Putnam County Electrical Contractors Association
- Plumbing & Mechanical Contractors Association of the Hudson Valley
- Local 21 Union

Ongoing Support

Once a contractor has signed a participation agreement to perform work in accordance with the Central Hudson program, Central Hudson will provide the contractor with additional training seminars, on-site demonstrations, selling tools, and free listings for their company on Central Hudson's website. Contractor development is an ongoing process in which Central Hudson's field personnel provides continued support through regular contact via in-person visits, email, and telephone to ensure that contractors are successful in the program.

Central Hudson's experience has shown that to be effective, initiatives designed to change the behaviors through a combination of marketing, education, and incentives, require a holistic, systematic approach. A successful vendor is a partner to the energy efficiency program, and a partner whose team possesses a clear strategy that all stakeholders believe will achieve the desired outcome. This partnership must be able to develop the tactics to implement that strategy.

Central Hudson's experience has shown that to be effective, initiatives designed to change the behaviors through a combination of marketing, education, and incentives require a holistic, systematic approach. A successful vendor is a partner to the energy efficiency program, and a partner whose team possesses a clear strategy that all stakeholders believe will achieve the desired outcome. This partnership must be able to develop the tactics to implement the strategy.

Recognition

At the end of each year, a recognition/award program will be put in place to promote successful contractors. Announcements of recipients will be sent to trade journals and local newspapers.

8.9 *Contact information for customer inquiries and complaints*

Customers will be able to contact Central Hudson representatives via a toll-free hotline. Program success hinges not only on performance in the field during program delivery, but also on the quality and responsiveness of pre- and post-implementation customer services. While the entire quality assurance philosophy is centered on doing the job right the first time and every time, it is acknowledged from experience that unforeseen situations can occur. Central Hudson is fully prepared to respond to these with the goal to try and minimize the customer inconvenience from the program in any way. Central Hudson will make every attempt to resolve service deficiencies, ensuring satisfaction of the customer. All documentation related to customer comments, complaints, and complaint resolution will be kept on file.

8.10 *Quality assurance plan*

Central Hudson possesses the following assets, which will lead to a successful implementation of these programs in our service territory:

- Experienced staff in place throughout the region;
- Access to qualified contractors in these marketplaces;
- In place quality control procedures and guidelines

The purpose of the inspection process is to assure that the equipment specified on the application is installed and operational as required. While the 10% of completed applications target was determined to provide an overall sampling, inspection selections are made strategically. Contractors applying for the first 4 rebates or where there is some other reasonable question as to the data provided on the applications selected first. The remainder of the inspections will be scheduled to meet the 10% target and will be selected randomly.

Quality deficiencies must be handled sensitively as not to disrupt relationships between trade allies and their customers. If a serious deficiency which may put a customer at risk (gas leaks, carbon monoxide issues, electrical code violations, etc.) is discovered, a Central Hudson representative will immediately notify the

customer of the situation and in most cases remain on site until it is assured that corrective actions are in process. Minor deficiencies will be reported to the contractors first, in order for them to have the opportunity to make corrections. Follow up phone calls will be made to customers who have minor deficiencies in order to ensure that corrective actions have been addressed by the trade ally. Central Hudson will monitor and report deficiencies in order to provide continuous contractor feedback. Central Hudson will work to determine protocols for a contractor that needs to be removed from program participation based on poor performance.

Where installation practices are of concern, the inspector can verify that these have been carried out properly. For example, inspectors will attempt to verify if a Manual J Cooling Load Calculation was completed for proper sizing. The inspector will not dismantle, disconnect, or perform invasive tests on equipment.

All rebate applications will be scrutinized to ensure that equipment specification meet program guidelines. As the program matures Central Hudson will monitor and recommend modifications to the specifications based on customer saturation and advanced in technologies.

8.11 Coordination with other New York energy efficiency programs

Central Hudson is an active participant on the Energy Efficiency Program Administrator Collaborative (EEPAC) with NYSERDA and the other New York State utilities. Central Hudson is an active participant on the Steering Committee and working groups discussing double dipping / counting, referrals, contractor qualifications, training, and collaborative outreach.

Central Hudson has participated in numerous conference calls and meetings with the other utilities in New York State to discuss program operation and structure to minimize market confusion and promote best practices.

8.12 Evaluation plan

A process evaluation report for this program is under final revisions before being submitted to DPS Staff. A revised impact evaluation plan is under development to include additional evaluation activities currently planned for 2012 – 2015.

9. Commercial Natural Gas Program

Table 42: Residential HVAC Energy Savings Targets

Year	2012	2013	2014	2015	Total
Dekatherm Targets	2,199	2,199	2,199	2,199	8,796

Table 43 Estimated Annual Customer Participation - Commercial Gas Equipment Installations

Measure Type	Year	Installations
Furnace	2012	45
	2013	45
	2014	45
	2015	<u>45</u>
	Total	180
Boiler	2012	30
	2013	30
	2014	30
	2015	<u>30</u>
	Total	120
Boiler Reset Control	2012	10
	2013	10
	2014	10
	2015	<u>10</u>
	Total	40
Programmable Thermostat	2012	30
	2013	30
	2014	30
	2015	<u>30</u>
	Total	120
Indirect Water Heater	2012	10
	2013	10
	2014	10
	2015	<u>10</u>
	Total	40

9.1 Annual energy savings and budgets by spending category including descriptions of expenditures within each category

Table 44: Annual budgets by spending category – Commercial Gas Program

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2012 - 2015</u> <u>Total</u>
General Administration	\$17,903	\$17,903	\$17,903	\$17,903	\$71,612
Program Marketing	\$23,850	\$23,850	\$23,850	\$23,850	\$95,400
Trade Ally Training	\$6,886	\$6,886	\$6,886	\$6,886	\$27,544
Incentives & Services	\$65,050	\$65,050	\$65,050	\$65,050	\$260,200
Direct Program Implementation	\$35,366	\$35,366	\$35,366	\$35,366	\$141,464

Program Evaluation	\$7,845	\$7,845	\$7,845	\$7,845	\$31,380
Total	\$156,900	\$156,900	\$156,900	\$156,900	\$627,600

9.2 *Eligible measures and associated customer incentives*

Current Incentives

Below, please find Table 45 showing current incentive schedule for eligible measures in the Commercial Gas Program, consistent with the approved levels for 2010-2011. These incentive levels are expected to be maintained throughout the first quarter of 2012.

Table 45: Commercial Gas Program Incentives to Participating Customers

Equipment Type	Minimum Performance	Incentive
Furnace	AFUE >= 90%	\$500
	AFUE >= 92%	\$500
	AFUE >= 92% with ECM Fan	\$700
	AFUE >= 94% with ECM Fan	\$900
	AFUE >= 95% with ECM Fan	\$900
Water Boiler	AFUE >= 85%	\$800
	AFUE >= 90%	\$1,200
Steam Boiler	AFUE >= 82%	\$800
Boiler Reset Control	N/A	\$100
Indirect Water Heater	N/A	\$300
Programmable Thermostat	Installed w/ qualified heating system	\$25

Proposed Changes to Incentives

Central Hudson is in the process of re-evaluating the measure offerings and rebate levels for this program. The current rebate levels will be maintained through the first quarter of 2012 to allow adequate time to design a new incentive schedule, seek approval from the Director of the Office of Energy Efficiency and the Environment through the program flexibility protocols, develop new rebate forms

and program informational materials, and train trade allies on the program changes. Central Hudson plans to revise the program's incentives for the following reasons:

- To create a better alignment of program incentive spending and associated savings. Rebate levels will be evaluated on a \$/therm basis in order to most effectively meet program goals using the incentive budget available.
- To promote & sell measures with the highest energy savings by providing a higher incentive to customers.
- Eliminating measures that do not have a high potential to generate savings due to relatively low efficiency levels, high cost, or lack of customer interest.

9.3 TRC Cost Benefit Testing

Central Hudson has conducted a preliminary Total Resource Cost test for this program in year 2012 at the approved budgets and estimated energy savings. This program passes the TRC test with a score of 1.7.

9.4 Customer Outreach and Education/Marketing

In compliance with the "Order Authorizing Efficiency Programs, Revising Incentive Mechanism, and Establishing a Surcharge Schedule" (Issued and Effective October 25, 2011), as directed in Ordering Clause 3, in this implementation plan, Central Hudson is including the following information related to its marketing in this section:

- (a) Specific budget amounts for each individual element of the outreach and education/marketing budget for each year of the program;

The outreach and education/marketing budget of the Commercial Natural Gas program is shown in Table 46.

Table 46: Commercial Natural Gas Program Marketing Budget

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2012 - 2015</u> <u>Total</u>
Program Marketing	\$23,850	\$23,850	\$23,850	\$23,850	\$95,400

These marketing costs are direct program costs and will be implemented to include the following items and quantities per year as shown in Table 47. The tactics in Table 47 are those that equal \$112,600 for the approved budget.

Table 47: Commercial Natural Gas Program Direct Marketing Costs

	2012	2013	2014	2015	Total
--	------	------	------	------	-------

Bill inserts	\$4,450	\$4,450	\$4,450	\$4,450	\$17,800
Brochures	\$2,500	\$2,500	\$2,500	\$2,500	\$10,000
Email blasts	\$0	\$0	\$0	\$0	\$0
Trade Ally newsletters	\$6,000	\$6,000	\$6,000	\$6,000	\$24,000
Direct mail	\$2,000	\$2,000	\$2,000	\$2,000	\$8,000
Trade Ally events/training	\$4,400	\$4,400	\$4,400	\$4,400	\$17,600
CRM	\$5,500	\$5,500	\$5,500	\$5,500	\$22,000
Social media	\$0	\$0	\$0	\$0	\$0
News releases	\$0	\$0	\$0	\$0	\$0
Total	\$23,850	\$23,850	\$23,850	\$23,850	\$95,400

- (b) A list and description of the outreach and education/marketing vehicles to be used;

The below list of outreach and education/marketing vehicles will be used to promote this program and recruit non-residential customers to upgrade to energy-efficient equipment:

➤ **Bill Inserts**

Utility bill inserts continue to be the most productive and cost-effective method of motivating customers to participate, and they are an essential part of program sponsorship. Central Hudson's non-residential customers (including those who get online bills) receive bill inserts. Response rates range between 3 and 8%, which is very good when considering that these go to more than 250,000 customers.

➤ **Brochures**

Central Hudson designs and prints **brochures** and flyers that are handed out at Central Hudson's energy efficiency events, including chamber of commerce events. These brochures are also handed out by Trade Allies and inserted into commercial customer packets, giveaways and press kits. The line item for brochures includes layout, design, file conversions, and printing costs.

➤ **Email**

Email blasts are a cost-effective approach to marketing energy efficiency to commercial customers. Central Hudson's email blast service also has the advantage of tracking if and when customers open and click the message. Recipients also have the option of opting out at any time. As Central Hudson gathers more email addresses and takes advantage of customer relationship management (CRM) tools, it can take advantage of program-specific targeted emails.

➤ **Trade Ally newsletters**

Since Trade Allies are on the front lines when dealing with customers, regular communication with them is essential for this program. In addition to day-to-day interaction, Central Hudson sends monthly newsletters through email and regular mail. These communiqués include notification about coming events, highlighted energy efficiency measures, program changes, programmatic reminders and ideas for promoting energy efficiency.

➤ **Direct Mail**

Direct mail has been an effective marketing tactic to reach commercial customers and explain how they can take advantage of rebates for purchasing new, energy-efficient equipment. Brief messages, reminders and announcements of new program offerings are appropriate for postcards, which have been effective. Central Hudson has also had success with business letters in regular envelopes.

➤ **Trade Ally events/training**

Central Hudson presents dealer days, breakfasts, meetings and other events to meet with Trade Allies and promote rebates and promotions with individual energy efficiency measures. Central Hudson sometimes uses these events to train Trade Allies; and training may involve hands-on teaching with high-efficiency equipment.

➤ **Customer Relationship Management (CRM)**

Central Hudson may purchase a customer relationship management (CRM) tool that can help energy efficiency staff members access customer data quickly and easily, share it with program partners, and leverage it to market program offerings to the right customers. Central Hudson is interested in a CRM system that helps the utility learn more about all customers, match the right ones with the right programs, find where these customers learn about cost-saving ideas and measures, market directly to them wisely and cost-effectively, and then carefully track program participation through lead nurturing and other techniques. Central Hudson may purchase its own CRM tool or software, or this could come as an implementation feature offered through a program partner.

➤ **Social Marketing**

Social media is media disseminated through social interaction using highly accessible scalable publishing techniques, which utilize modern resources such as the Internet, blogs and viral marketing tactics. Successful social marketing tactics may be handled and monitored by Central Hudson's Corporate Communications Department. Central Hudson regularly posts on Facebook details of business seminars and news of how businesses can take advantage of energy efficiency programs.

➤ **News Releases**

It is imperative that business energy efficiency programs are announced through all possible press channels, especially to kick off new or time-

sensitive program offerings. Central Hudson also produces joint news releases that explain how much money and energy one business or organization has saved by using a utility energy efficiency program.

The target customer markets for the Commercial Natural Gas program are 1) those non-residential customers in areas where Central Hudson has existing natural gas service, 2) customers who live in areas that are adjacent to businesses with natural gas service, 3) commercial customers in these areas who have old or inefficient natural gas equipment, and 4) commercial customers in these areas who have natural gas service but have limited usage, such as natural gas service for a cooking or water heating only.

The Central Hudson marketing plan includes:

9.4.1 Overall Messaging

The overall messaging for the Commercial Natural gas marketing will be consistent with Central Hudson's utility branding and emphasize that this program is another way Central Hudson helps customers reduce their energy bills. Key benefits for businesses include:

- Reduced energy usage
- Payback timeframes for investing in energy-efficiency measures
- Environmental benefits, such as reducing carbon footprint
- Improving the safety, health, comfort, and value of the facilities for employees and customers

Key benefits for participating Trade Allies include:

- Increased revenue
- Differentiate their company by promoting environmentally friendly measures/solutions
- Align with brand and programs of trusted utility
- Increase knowledge and training of staff
- Leverage marketing opportunities for their company

9.4.2 Event Marketing

Central Hudson will participate at local energy efficiency events such as energy efficiency seminars, chamber of commerce shows and seminars for other business organizations, such as the Council of Industry of Southeastern New York. Brochures will be distributed.

9.4.3 Website

Energy efficiency for commercial customers will be promoted by driving customers to www.SavingsCentral.com and www.CentralHudson.com. At

these websites, customers will be able to find Trade Allies, program details, satisfied customer testimonials, rebate forms and incentive amounts.

- (d) A timeline for the development, implementation and evaluation of the outreach and education/marketing efforts;

The marketing timeline, shown in Table 48, details the key tasks and preliminary schedule for the Commercial Natural gas program:

Table 48: Commercial Natural Gas Program Marketing Timeline

<u>Outreach and Education / Marketing Task</u>	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Bill inserts												
Brochures												
Email blasts												
Trade Ally newsletters												
Direct mail												
Trade Ally events/training												
CRM												
Social media												
News releases												

- (e) How the outreach and education/marketing plans relate to the company's general outreach and education/marketing plans:

The Commercial Natural Gas marketing budget is separate, distinct, and incremental from Central Hudson's general marketing program. Where possible, the Central Hudson general marketing messaging will include energy efficiency program information and/or links.

- (f) The efforts that will be undertaken to minimize any overlap and/or customer confusion that may result from outreach and education/marketing activities in the same or adjacent market areas.

In order to minimize overlap and customer confusion, Central Hudson has developed collaborate relationships with various entities, including neighboring utilities and NYSERDA, and refers both customers and contractors accordingly. In addition, Central Hudson continues to develop its

websites www.SavingsCentral.com and www.CentralHudson.com, which directs customers and contractors to the correct sector and available service.

9.5 *Descriptions of roles and responsibilities of the utility and all program contractors*

Central Hudson staff will administer the program utilizing an implementation contractor. In conjunction with the implementation contractor, Central Hudson will perform marketing activities, trade ally recruitment, customer screening and enrollment, and program tracking. The implementation contractor will be mainly responsible for retailer management, trade ally training, reporting, rebate processing, manage an Energy Efficiency call center, and program closeout.

Central Hudson will be responsible for all reporting to Staff including monthly scorecard, quarterly scorecard, and annual reporting. A separate contractor will be used to perform a process evaluation of the program. An additional evaluation contractor may need to be contracted for impact evaluation or Central Hudson may jointly procure an impact evaluator with NYSERDA and the other utilities in the State as discussions continue during the Evaluation Advisory Group meetings. Central Hudson may contract with other marketing, engineering and evaluation firms when deemed necessary and within the allowable program budget.

Central Hudson is currently researching a system wide tracking system in which each implementation contractor will submit program information on an on-going basis. By having one centralized system, Central Hudson will be able to generate automatic reporting that is easier and more accurate.

9.6 *Procedures for customer enrollment*

Customer enrollment will be performed through the trade ally chosen by the customer or through the customer call center as follows:

Customer Call Center

There will be telephone access for all persons who call the Central Hudson's Call Center. The majority of calls will be from program participants while a fair number will also be from retailer contacts. All calls to Central Hudson's Energy Efficiency Call Center will be handled by knowledgeable Customer Service Representatives (CSR's) who understand and have access to current program information and offerings. These individuals will provide the first level of support, often being the only point of contact that the customer requires.

Callers will be greeted by live operators Monday through Friday. Staffing levels and hours of coverage will be adjusted to meet campaign needs or as other factors affecting call volumes and times warrant. After-hour callers will be greeted

by an automated response that will provide the website address and information about normal business hours and allowing them to leave a message requesting a call back on the next business day.

Internal quality assurance audits will be conducted by listening in on randomly-selected calls, both announced and unannounced to the CSR, and by conducting weekly analysis of call volumes and other metrics handled by each CSR, as well as such metrics as abandoned calls and escalated calls.

Screening Process

Call Center representatives will verify customer eligibility by one or more of the following

- Asking for Central Hudson account number
- Asking for home address
- Determining the type of HVAC equipment in use at the site

Documentation and Tracking

All calls from customers and contractors, in all programs, will be electronically documented and tracked in tracking database software, which will then be uploaded to Central Hudson's program database.

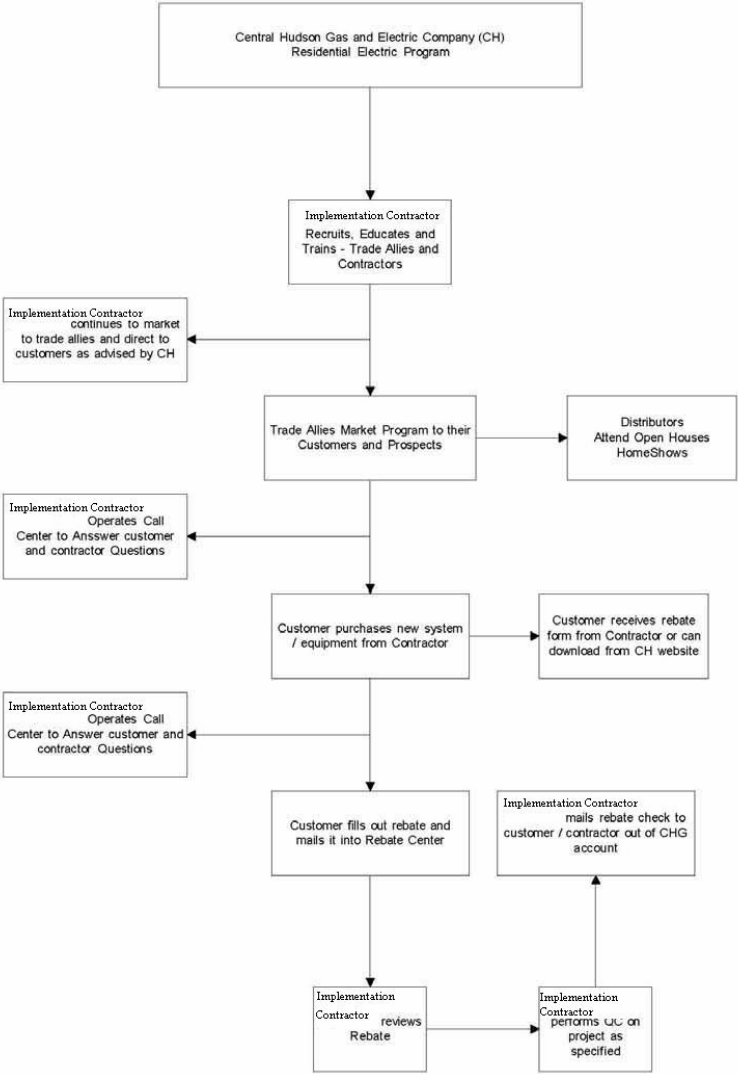
Referrals to Other Programs

Call Center representatives will be fully trained to guide customers and contractors to energy efficiency programs that may be relevant to them and that are outside the scope of these particular programs. The representatives will be able to supply, over the phone, the minimum contact information needed to reach the managing agency including NYSERDA and other utilities in New York State.

Trade Ally

The customer will be driven to our website through marketing outreach through newspaper ads, bill inserts, television commercials, etc. Participants can choose a trade ally of their choice through a network of qualified insured installers that have gone through approval by Central Hudson.

Program Flow Chart



9.7 Training for retail partners

Retail partners training will not be needed for this program. Availability of eligible equipment will be monitored through Central Hudson's trade ally network.

9.8 Contractor training and program orientation plan

Recruitment

Communication methods to recruit contractors include email, telemarketing, direct sales and web bulletins posted. Additional direct selling and marketing efforts will be used to recruit qualified contractors.

Central Hudson will host Contractor Recruitment Seminars as needed to meet program goals and requirements. Breakfast and lunch seminars will be held at local restaurants, hotels, or on Central Hudson property. Interested contractors can attend to find out more about the program and receive information on training, rebates, how program participation can grow their business and information on the sales support tools that will be made available to them.

Identified organizations include:

- NECA (National Electrical Contractors Association)
- Construction Contractors Association
- Putnam County Electrical Contractors Association
- Plumbing & Mechanical Contractors Association of the Hudson Valley
- Local 21 Union

Ongoing Support

Once a contractor has signed a participation agreement to perform work in accordance with the Central Hudson program, Central Hudson will provide the contractor with additional training seminars, on-site demonstrations, selling tools, and free listings for their company on Central Hudson's website. Contractor development is an ongoing process in which Central Hudson's field personnel provides continued support through regular contact via in-person visits, email, and telephone to ensure that contractors are successful in the program.

Central Hudson's experience has shown that to be effective, initiatives designed to change the behaviors through a combination of marketing, education, and incentives, require a holistic, systematic approach. A successful vendor is a partner to the energy efficiency program, and a partner whose team possesses a clear strategy that all stakeholders believe will achieve the desired outcome. This partnership must be able to develop the tactics to implement that strategy.

Central Hudson's experience has shown that to be effective, initiatives designed to change the behaviors through a combination of marketing, education, and incentives require a holistic, systematic approach. A successful vendor is a partner to the energy efficiency program, and a partner whose team possesses a clear strategy that all stakeholders believe will achieve the desired outcome. This partnership must be able to develop the tactics to implement the strategy.

Recognition

At the end of each year, a recognition/award program will be put in place to promote successful contractors. Announcements of recipients will be sent to trade journals and local newspapers.

9.9 *Contact information for customer inquiries and complaints*

Customers will be able to contact Central Hudson representatives via a toll-free hotline. Program success hinges not only on performance in the field during program delivery, but also on the quality and responsiveness of pre- and post-implementation customer services. While the entire quality assurance philosophy is centered on doing the job right the first time and every time, it is acknowledged from experience that unforeseen situations can occur. Central Hudson is fully prepared to respond to these with the goal to try and minimize the customer inconvenience from the program in any way. Central Hudson will make every attempt to resolve service deficiencies, ensuring satisfaction of the customer. All documentation related to customer comments, complaints, and complaint resolution will be kept on file

9.10 *Quality assurance plan*

Central Hudson possesses the following assets, which will lead to a successful implementation of these programs in our service territory:

- Experienced staff in place throughout the region;
- Access to qualified contractors in these marketplaces;
- In place quality control procedures and guidelines

The purpose of the inspection process is to assure that the equipment specified on the application is installed and operational as required. While the 10% of completed applications target was determined to provide an overall sampling, inspection selections are made strategically. Contractors applying for the first 4 rebates or where there is some other reasonable question as to the data provided on the applications selected first. The remainder of the inspections will be scheduled to meet the 10% target and will be selected randomly.

Quality deficiencies must be handled sensitively as not to disrupt relationships between trade allies and their customers. If a serious deficiency which may put a customer at risk (gas leaks, carbon monoxide issues, electrical code violations,

etc.) is discovered, a Central Hudson representative will immediately notify the customer of the situation and in most cases remain on site until it is assured that corrective actions are in process. Minor deficiencies will be reported to the contractors first, in order for them to have the opportunity to make corrections. Follow up phone calls will be made to customers who have minor deficiencies in order to ensure that corrective actions have been addressed by the trade ally. Central Hudson will monitor and report deficiencies in order to provide continuous contractor feedback. Central Hudson will work to determine protocols for a contractor that needs to be removed from program participation based on poor performance.

Where installation practices are of concern, the inspector can verify that these have been carried out properly. For example, inspectors will attempt to verify if a Manual J Cooling Load Calculation was completed for proper sizing. The inspector will not dismantle, disconnect, or perform invasive tests on equipment.

All rebate applications will be scrutinized to ensure that equipment specification meet program guidelines. As the program matures Central Hudson will monitor and recommend modifications to the specifications based on customer saturation and advanced in technologies.

9.11 Coordination with other New York energy efficiency programs

Central Hudson is an active participant on the Energy Efficiency Program Administrator Collaborative (EEPAC) with NYSERDA and the other New York State utilities. Central Hudson is an active participant on the Steering Committee and working groups discussing double dipping / counting, referrals, contractor qualifications, training, and collaborative outreach.

Central Hudson has participated in numerous conference calls and meetings with the other utilities in New York State to discuss program operation and structure to minimize market confusion and promote best practices.

9.12 Evaluation plan

An evaluation plan for this program is currently under development. This evaluation plan will include all process and impact evaluation activities currently planned for 2012 – 2015.