

IMPLEMENTING A PARTNERSHIP WITH ENERGY STAR: THE WISCONSIN EXPERIENCE

INTRODUCTION

The U.S. Environmental Protection Agency (EPA) first introduced the ENERGY STAR[®] program in 1992. As originally devised, the program identified and promoted energy efficient products through voluntary labeling. Today, the program has grown into a comprehensive government/industry partnership, which encourages businesses and consumers to save money and protect the environment through wise energy choices. The ENERGY STAR Program umbrella is expansive; offering programs designed to reach specific target markets including: new homes; the buildings sector; residential heating and cooling equipment; major appliances; office equipment; lighting; and consumer electronics.

Throughout the program's existence, the partnering agencies have worked to recruit state and local government participants. The purpose of this document is to highlight one state's partnership with the EPA through ENERGY STAR. Although the partnership was initiated for one specific program, the relationship with ENERGY STAR has expanded over the past nine years to include collaboration with almost every EPA-targeted sector. The state of Wisconsin first commenced a partnership with the EPA in 1994; originally seeking assistance in implementing programs in the government and commercial buildings sector. Looking for creative ways to address the needs of this market, Wisconsin discovered that ENERGY STAR programs were specifically designed to tackle the efficiency needs of various market sectors, while allowing program partners to pursue the individual needs of residents and businesses in their particular location. Wisconsin found that the national promotion of the ENERGY STAR logo was a key component for them that added additional leverage to the Wisconsin-specific marketing program already in place. Since ENERGY STAR's inception, many states, local governments, and businesses have utilized services provided by the program as part of comprehensive energy efficiency offerings.

In addition to program support, the ENERGY STAR program offers recognition for those program partners who implement successful programs and are willing to try different program components in order to capture energy savings in particular target markets. National recognition is a valuable tool states can use when working with potential program participants and top-level decision makers. For their efforts, the state of Wisconsin was awarded the ENERGY STAR Partner of the year award in 2000, and will be awarded an ENERGY STAR Small Business award in 2001.

PUBLIC BENEFITS IN WISCONSIN:

THE WISCONSIN FOCUS ON ENERGY PROGRAM

In 1998, Wisconsin embarked on a regional pilot program to test the feasibility of a state-sponsored, utility funded, energy efficiency program. This pilot introduced residents and businesses of Northeast Wisconsin to comprehensive energy efficiency and renewable energy programs. These programs sought to assist businesses design and build more efficient facilities and manufacturing processes. They also worked with builders and homeowner's to build safer, healthier, and more efficient homes, and helped school boards build better and more efficient schools.

1999 Wisconsin Act 9 built on the knowledge gained from this pilot program by mandating that the state expand Focus on Energy statewide. The statewide program will aim to initiate the process of transforming the markets for energy efficiency goods and services into profitable, self-sustaining markets.

As the needs of the energy sectors in Wisconsin changed, the ENERGY STAR program expanded to meet the increased demand within the state. By working closely with the EPA, Wisconsin was able to customize ENERGY STAR offerings—maximizing program reach and resources while adhering to the program parameters as outlined by the State Legislature. The EPA has worked directly with Wisconsin on marketing and promotional efforts, which specifically target the state of Wisconsin—one example was assisting the state in making Lambeau Field the first ENERGY STAR sports arena in the U.S.

Prior to designing the statewide effort, the Energy Office identified four economic and institutional barriers which have traditionally inhibited the widespread investment of energy efficient technologies in Wisconsin: (1) Consumers often lack the information, financing and expertise to identify and install energy efficient technologies; (2) Many of these technologies have high initial costs that inhibit investment, even when life-cycle costs are lower; (3) Many people perceive a risk of investing in new and unproven technologies; and (4) Energy savings can be difficult to measure. While Wisconsin had mapped out general strategies to address these barriers, they chose to utilize their partnership with the ENERGY STAR program to help tackle them. Through the State Energy Office, the Focus on Energy program will capitalize on existing ENERGY STAR resources at the federal level. Some of these resources which have been in the past, and will be critical to Wisconsin's future success include: access to program experts, years of data addressing each market sector, special databases and computer programs designed for program partners and participants to measure energy efficiency progress, and ready-to-use marketing materials which carry the ENERGY STAR logo which can, in some cases, be customized to include specific state information and logos. ENERGY STAR works directly with potential national program partners (appliance manufacturers, national retailers, etc). These efforts compliment the work most states and local governments are pursuing with their own programmatic efforts courting individual program participants.

PROGRAM SPECIFICS

With the implementation of Wisconsin's statewide public benefits program, the state will pursue long-term market transformation and resource acquisition goals. Cornerstones of the project will rely on adding information, education, technical assistance, and guidance to the more standard forms of incentives in an effort to bring a new balance to the demand and supply for a complete range of energy efficiency goods and services in the state. Wisconsin will rely on their ENERGY STAR partnership to assist in the implementation of programs meeting these goals—and will focus primarily on those aspects of the programs that positively impact Wisconsin businesses. The Wisconsin Focus on Energy program will work with manufacturers, retailers, and consumers

to dramatically increase the market share of ENERGY STAR appliances, lighting, and window products. Manufacturers of ENERGY STAR products will provide incentives, cooperative advertising, consumer education, retail sales training, and in-store assistance to help with promotions. In addition, the State Energy Office, through the Department of Administration, will make a special effort to incorporate ENERGY STAR into the state procurement system, whenever feasible.

Each state plans programs differently based on pre-identified programmatic needs, the levels of existing support, and the needs of the residents and businesses of the state. By design, Wisconsin chose to incorporate ENERGY STAR into the initial planning phases of the stateside program. Based on the state's previous partnership, as well as the success of ENERGY STAR with the pilot program, the state was committed to the consideration of ENERGY STAR programs by all potential bidders. Some of the steps Wisconsin took to ensure that ENERGY STAR (or other equally qualified programs) would be part of the final program mix included:

- When the state issued Requests for Proposals (RFPs), prospective vendors were strongly encouraged to include ENERGY STAR program offerings in the following areas: residential new construction, appliances, lighting, and commercial buildings. The RFPs have been (and will continue to be for those vendors not yet selected), scored according to how each bidder responded to individual market sectors. If bidders did not include ENERGY STAR program offerings in Wisconsin's targeted ENERGY STAR markets, they were required to submit alternate programs, which would meet the state's needs while attaining minimum energy savings within the allotted budget.
- During the pilot phase of the Focus on Energy program, The State retained a policy, planning, and procurement role, limiting (but not eliminating) the day-to day management of the program. Private sector contractors implemented programs in close coordination with both the State and the EPA. For the statewide program, DOA will confine its role to policy, planning, procurement and contract administration, communication, oversight and reporting, and evaluation coordination and program adjustments. The State will encourage contractors

to build a relationship directly with the EPA's ENERGY STAR program staff, as those programs will be initiated statewide.

- Wisconsin works in coordination with the EPA to submit program data and learned program results into the ENERGY STAR databases for each market sector. Combining data gives Wisconsin a more complete picture of program progress, and helps the state draw comparisons between not only current and past progress within the state, but also yields valuable information about what other state's are pursuing. Comprehensive databases help provide Wisconsin with the quantifiable information and data necessary to inform the legislature and program decision-makers of efficiency projects in each market sector.
- Wisconsin's programs have and will continue to evolve with the changing needs of the state. Through regular communication, Wisconsin is able to discuss programmatic changes with the EPA, and coordinate closely to ensure that modifications transition smoothly.
- By further promoting the national voluntary ENERGY STAR program, Wisconsin believes they can leverage technical and marketing efforts from across the nation which will provide a unified message making it easy for consumers to make energy efficient choices. Working closely with other states in the mid-west, Wisconsin hopes to join forces in a regional effort with neighboring states utilizing ENERGY STAR's consistent message.