

BPA REGIONAL PROGRAMS

Simple Steps, Smart Savings



Program Name: Simple Steps, Smart Savings

Simple Steps, Smart Savings[™] (*Simple Steps*) is Bonneville Power Administration's regional program designed to increase the adoption of energy-efficient residential products. To achieve energy savings, residential consumers are encouraged to purchase and install high-quality, energy-efficient compact fluorescent lamps (CFLs), light emitting diode bulbs (LEDs), light fixtures and energy-saving showerheads. Beginning in FY2015, the program will integrate ENERGY STAR refrigerators, freezers and clothes washers using a dynamic, new midstream program model.



Program Components

Retail (midstream/upstream)	The program works with more than 38 retail chains and 30 manufacturers. Simple Steps has historically focused on upstream and midstream incentives for lighting and showerheads. In 2015, the program will introduce midstream retail incentives for appliances.
Online	In 2014, the program integrated online sales promotions. This new feature expands retail access for consumers in less urban areas of the Pacific NW.
Direct Install	This popular program option provides utilities with options that fit their needs including: product procurement, marketing materials, training activities, data collection and reporting.
Direct mail	Direct mail kits that are fully customizable and provide a simple way for utilities to put easy-to-install energy efficiency technology directly in the hands of their consumers.
Bulk Purchase	The Simple Steps team works with select manufacturers to secure bulk purchase pricing for lighting, showerheads and advanced powerstrips.
Marketing Resources	A variety of marketing materials that build awareness with consumers are available in formats designed for retailers and utility programs including in-store materials, direct install instructions, and templates.

Program Background

In 2010, as implementation of the Energy Independence and Security Act of 2007 was just beginning to be implemented, BPA launched a renewed effort to build on the success of the former Change A Light CFL promotion to maintain the Northwest's promotion of energy efficient residential lighting. Simple Steps, Smart Savings[™] provided a collaborative, regional program serving more than 52 public and private utilities across Oregon, Washington, Idaho and Montana. Because of the territory and retail locations shared by multiple utilities (both public and investor-owned) Simple Steps has found success through collaboration with all utilities in the region.

Initially, the program focused on CFLs, lighting fixtures and showerheads, but later expanded to include LED bulbs and hybrid fixtures. Responding to the needs of both large, urban utilities and small, rural utilities has always required flexibility, both in program design and customer service. BPA has relied on the program implementation team at CLEAResult (formerly Fluid Market



Strategies) to maintain a program design that best serves BPA's customers' varying needs. The program has diverse delivery options, including: retail, online, direct install, direct mail and bulk purchasing. Additional services are also available upon request. In 2014, BPA re-competed the program and expanded it to include midstream appliance measures, providing a new program delivery model for appliances that may set a new standard for turn-key program delivery.

Program Data (all information reflects FY2007 – FY2014)

Energy Savings	<ul style="list-style-type: none"> 248,784,000 kWh / 28.4 aMW
Incentives	<ul style="list-style-type: none"> \$12,058,787 (paid from April 2010 – Sept. 2014, public utilities only)
Participating utilities	<ul style="list-style-type: none"> 44-52 (includes both public and investor-owned utilities)
Participating retailers	<ul style="list-style-type: none"> 38 retail chains representing more than 1,300 retail locations
Geographic coverage	<ul style="list-style-type: none"> Simple Steps covers Oregon, Washington, Idaho and Montana
Interactive Effects with Other Programs and Measures	<ul style="list-style-type: none"> Program sales data is used to support and maintain Unit Energy Savings for CFLs, LEDs, etc. Direct Install Program Audit Snapshots used by some utilities to support their conservation potential assessments. Retailer and manufacturer relationships developed through Simple Steps have provided access to data to determine and document Momentum Savings.
Summary of Contract Terms	<ul style="list-style-type: none"> Contract base period and terms set at two years, with three priced option years. Delivery statement of work covered for each program element in detail. Responsibilities and deliverables are clearly defined. Key program personnel changes require review and approval by BPA.
Contract (Program Partner) Costs	<ul style="list-style-type: none"> \$15,085,051 (from April 2010 to Sept. 2014) includes incentives, program delivery for public utilities only and BPA-paid program overhead
Cost of Contract Structure (What is included)	<ul style="list-style-type: none"> Product list - all measures meet ENERGY STAR qualification Retailer list – manage retail store list for participating utilities Program design – design and manage promotions and promotional calendar Program targets and utility communication – meet/manage sales to utility goals Program marketing – develop and execute marketing plan to achieve goals Field services – provide regular visits to ensure participation and utility attribution Quality assurance – conduct oversight visits and document field performance Reporting –monthly and annual reporting for utilities and BPA
Administrative and Other Costs	<ul style="list-style-type: none"> All program management, marketing, and other overhead costs for the program are contained within the Contract Costs above. BPA paid administration and program overhead is approximately 6% of overall budget.

Program Costs

	FY2010	FY2011	FY2012	FY2013	FY2014
\$/kWh	\$0.08	\$0.08	\$0.10	\$0.11	\$0.12
\$/aMW	\$0.70	\$0.70	\$0.88	\$0.96	\$1.05
Levelized cost (\$/kWh)	\$0.014	\$0.014	\$0.018	\$0.020	\$0.021

Conclusion

Despite years of activity in residential lighting, the Regional Building Stock Assessment (RBSA) indicates that approximately 30-60% of residential lighting sockets are still occupied by inefficient bulbs. Simple Steps continues to provide the region's best opportunity to collectively influence both retail stocking practices and consumer purchasing. During 2014, the increased availability and decreasing prices of LEDs spurred significant renewed interest from utilities and consumers alike. With new midstream appliance opportunities pending, participating utilities are communicating that they plan to stay with the program and many others are considering it anew.

Testimonials on the Simple Steps, Smart Savings Program

We have found no better way to get more-efficient lighting to our customers. It is an easy program to administer, the products are good, local businesses benefit from the traffic generated, and the energy savings from the products sold benefit all of our customers.

~ **Jim Bellamy – Peninsula Light Company**

Simple Steps is our most cost-effective program. It's easy to operate and a big value for our customers. Simple Steps provides energy efficient lighting and showerheads at discounted prices to our customers. There are no coupons or applications for our customers. They simply purchase the products at one of several local businesses.

~ **Mark Wiser – Chelan PUD**

Benton PUD does not have to manage the program, and we acquire as much savings in a year...as we do from our residential sector for the same period. There is very little utility effort required for the savings.

~ **Tom Schumacher – Benton PUD**

Walmart is thrilled with the Simple Steps program... it offers shoppers a value on energy savings products and helps grow sales.

~ **Marcia Wright – GE Lighting - Walmart**

The savings drives consumer purchase of efficient products, saving energy for future generations.

~ **Rene Burger - Philips**

The Simple Steps program provides discounts to consumers to help them get a great value on energy efficient products.

~ **Kourtney Preston – Feit Electric**