U.S. DEPARTMENT OF ENERGY | Energy Efficiency & Renewable Energy

BUILDING TECHNOLOGIES OFFICE

State Energy-Efficient Appliance Rebate Program:

Volume 1 – Program Design Lessons Learned

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INTRODUCTION

In February 2009, President Obama signed into law the American Recovery and Reinvestment Act of 2009 (ARRA) in response to the economic crisis. The primary goals of this $787 billion stimulus included creating new jobs and saving existing ones, spurring economic activity and investing in long-term growth, and fostering unprecedented levels of accountability and transparency in government spending. With funding provided by ARRA, the U.S. Department of Energy (DOE) developed the State Energy-Efficient Appliance Rebate Program (SEEARP) to spur economic activity and invest in long-term energy savings by helping consumers replace older, inefficient appliances with new, efficient models. SEEARP provided almost $300 million to the 56 U.S. states and territories to support state-level consumer rebate programs for efficient appliances.[1]

SEEARP was the first national appliance rebate program for residential consumers. Accordingly, DOE designed and built the program from scratch, working with stakeholders including state energy offices (SEOs), manufacturers of 14 major appliance, water heater, and heating, ventilation, and air conditioning (HVAC) equipment types, utilities, retailers, distributors, trade associations, and appliance recyclers.

The program included three phases: planning, implementation, and closeout. In the planning phase, DOE solicited, received, reviewed, and approved program plans from each of the 56 states and territories; developed technical support tools; and fostered interaction and problem solving both between individual states and between states and other stakeholders. During the implementation phase, DOE supported states through launching their programs, provided additional tools and program promotion, and reviewed and approved more than 400 program modifications. For the closeout phase, DOE helped the states complete final rebate, budget, and narrative reports and created program impact reports summarizing individual state and overall results.

1 – As used in this report, the terns "states" and "states and territories" refer to the 50 U.S. states, the District of Columbia, and the territories of American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands.

Report Structure

This report draws on the insights DOE gathered from its more than four years of administering SEEARP and analyzing the nearly 1.8 million rebates and the associated reporting from the 56 state and territory programs. The successes and challenges of SEEARP provide valuable lessons for designing and running a consumer-focused appliance rebate program. The following pages discuss observations and provide recommendations about all aspects of program planning, including the following:

- Designing a program, including establishing goals, selecting products to cover, determining product and consumer eligibility, setting haul-away and recycling requirements, designing the application process, setting rebate levels, determining program timelines, and working with rebate processors
- Coordinating and communicating with key retailer, manufacturer, and utility stakeholders to maximize involvement
- Developing a program timeline
- Communicating with consumers and the media
- Collecting key program data to use in final reporting and for determining program impacts

This report is intended to be a helpful resource to you in designing and running your appliance rebate program.

Kansas provided low-income residents with rebates for the full cost of replacement appliances, and Missouri focused a portion of its program to help residents of Joplin recover in the wake of a 2011 tornado by providing rebates to residents who qualified for disaster assistance.

SECTION 1: PROGRAM GOALS

The goal of SEEARP programs was to stimulate the U.S. economy by encouraging the replacement of older appliances with newer, more efficient ENERGY STAR® qualified models. DOE anticipated that the federally funded rebates would also reduce consumer energy and water bills, reduce greenhouse gas emissions, and help foster greater public awareness of the benefits of energy efficiency. DOE envisioned programs meeting these goals by increasing overall demand for more efficient products, which would, in turn, help retain and grow associated manufacturing, retailing, and recycling jobs.

Generally, states focused on meeting DOE's primary program goals when designing their rebate programs. A few states also used their programs to help target low-income populations or victims of natural disasters.

The most successful SEEARP programs were those that were designed explicitly with program goals in mind. States that did not design programs with specific goals in mind or didn't ensure that program elements were structured to help the state achieve its goals tended to lack focus and were not as successful at spurring economic stimulus or encouraging residents to replace their appliances. Kansas and Missouri accomplished over and above those established by DOE goals because they designed their programs to support their respective purposes.

Establishing program goals early is vital to providing needed structure and direction for your program. In designing your program, consider your primary goals first. Goals you might consider include the following:

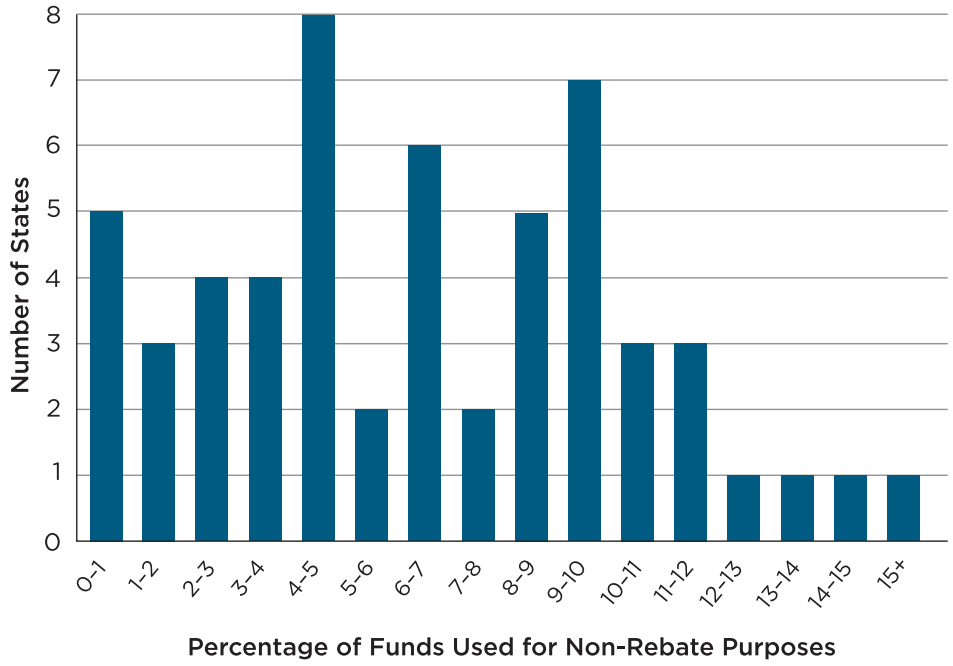
- Energy savings
- Water savings
- Economic stimulus
- Greenhouse gas emission reduction
- Disaster recovery
- Assistance to low-income households
- Assistance to persons with disabilities
- Assistance to residents of rural areas

Setting program goals at the outset will help you better select products, set rebate levels, determine consumer eligibility, and set program requirements that facilitate goal achievement.

1.1 Budget

Determining your project budget is important when setting goals and planning your program. In addition to rebate funds, your budget should include funds for rebate processing, program administration, marketing, and communications. DOE recommends setting aside at least 10 % of funds for non-rebate purposes. Figure 1 presents non-rebate spending as a percentage of total funds for the state programs run under SEEARP.

Figure 1. SEEARP Funds Used for Non-Rebate Purposes



When selecting products, carefully consider product criteria to ensure that the products rebated will contribute to reaching your program goals. Common product criteria to consider include:

- Energy savings (electricity, gas, or oil)
- Water savings
- Product availability
- Product cost
- Installation cost
- Existing efficient product market share
- Seasonality of sales

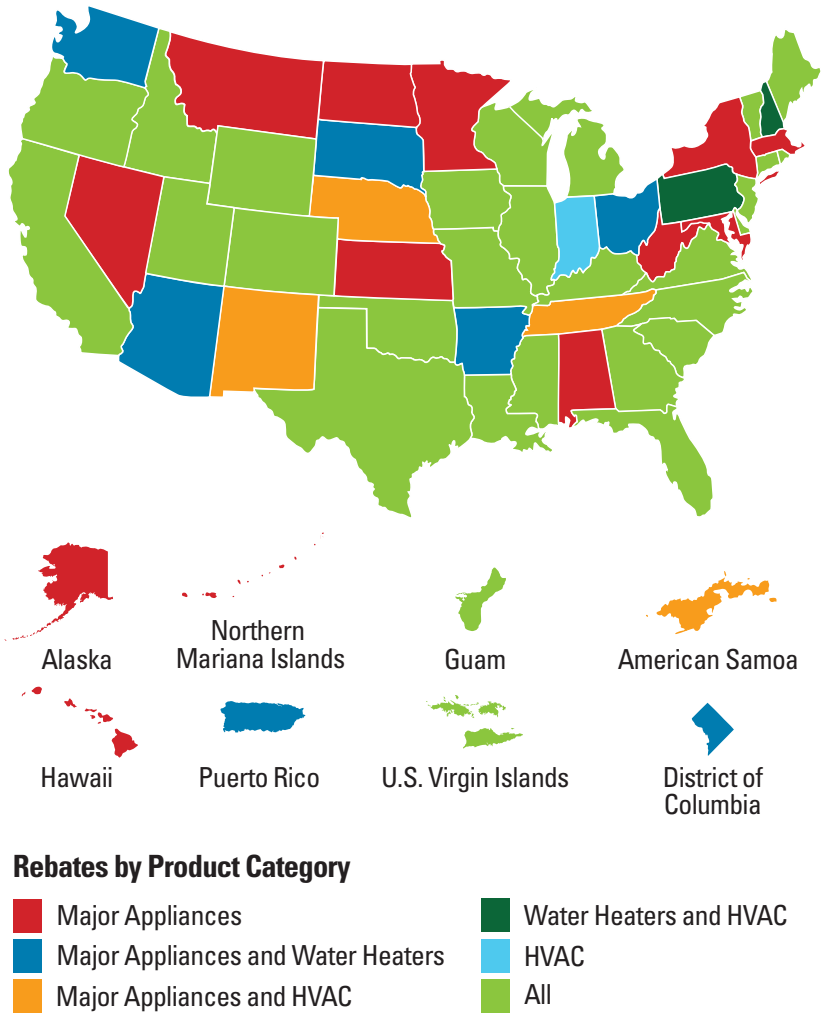
SECTION 2: REBATES

2.1 Products

For SEEARP, DOE gave states freedom to choose ENERGY STAR qualified products from the following list for their programs: boilers, central air conditioners, clothes washers, dishwashers, freezers, furnaces (oil and gas), heat pumps (air- and ground-source), refrigerators, room air conditioners, and water heaters. States wishing to offer rebates on other products were required to provide justification for selecting them. In practice, very few states submitted requests to consider other products, and DOE did not approve any.

Most states offered rebates in a variety of product categories (major appliances, HVAC, and water heaters). States that offered rebates on a variety of products tended to have greater success, and some states that had limited offerings had difficulty exhausting program funds. The following map shows SEEARP rebate offerings by product category.

Figure 2. State Rebate Program Offerings by Product Category



To illustrate the importance of product selection in meeting program goals, consider the following examples:

- ENERGY STAR dishwashers can contribute electricity and water savings over standard models. Qualified models are available at major retailers year-round, and installation costs are minimal. However, the 2012 market share for ENERGY STAR dishwashers was estimated at 89%, meaning actual energy and water savings may be limited, and free ridership may be significant.

- ENERGY STAR gas furnaces can contribute substantial gas savings over standard models. Qualified models are generally available, but product selection varies by contractor. Furnace purchases tend to be seasonal, with most sales occurring during the heating season. Furnaces require specialized installation, especially higher-efficiency units. ENERGY STAR market share for gas furnaces in 2012 was 35%, indicating significant remaining savings potential.

These examples are meant not to indicate preference for one product over another but to highlight how program goals should guide product selection. Carefully consider each product to make sure you understand how it serves your program goals.

Free ridership: In the context of rebates, free ridership is when a party requesting a rebate would have made an eligible purchase even in the absence of the rebate.

During SEEARP, **New Hampshire** recognized that it already had a high prevalence of ENERGY STAR major appliances installed in homes, so the state offered rebates on ground-source heat pumps and solar thermal water heaters. The program increased consumer awareness of more efficient HVAC equipment, while spurring significant economic stimulus and energy savings.

Table 1: Summary of Key Product Criteria

Product	Savings				Product Cost (a)	Specialty Installation Required (b)	2012 ENERGY STAR Market Share (c)	Seasonality	Lifetime (Years) (d)
	Electricity	Gas	Oil	Water					
Air Conditioners (Central)	X				High	Yes	20%	Summer	9
Air Conditioners (Room)	X				Low	No	58%	Summer	11
Boilers (Gas)		X			High	Yes	57%	Fall/Winter	20
Boilers (Oil)			X		High	Yes	47%	Fall/Winter	20
Clothes Washers	X	X		X	Med	No	65%	No	11
Dishwashers	X			X	Med	Yes	44%	No	10
Freezers	X				Low	No	89%	No	11
Furnaces (Gas)		X			High	Yes	35%	Fall/Winter	15
Furnaces (Oil)			X		High	Yes	22%	Fall/Winter	17
Heat Pumps (Air-Source)	X				High	Yes	32%	No	12
Heat Pumps (Ground-Source)	X				High	Yes	28%	No	15
Refrigerators	X				Med	No	76%	No	12
Water Heaters (Electric Heat Pump)	X				High	Yes	1%	No	10
Water Heaters (Gas Storage)		X			Med	Yes	3%	No	11
Water Heaters (Gas Tankless)		X			High	Yes	-	No	20
Water Heaters (Solar, Electric Backup)	X				High	Yes	-	No	20
Water Heaters (Solar, Gas Backup)		X			High	Yes	-	No	20

Notes:
(a) Based on survey of national retailer pricing, conducted in Fall 2009. Approximate thresholds: Low – less than $500; Med – $500 – $1,500; High – more than $1,500.
(b) Specialty installation is required when a product requires attachment to plumbing, fossil fuel lines, or non-socket electrical mains.
(c) energystar.gov, ENERGY STARÆ Unit Shipment and Market Penetration Report Calendar Year 2012 Summary, accessed March 2015, www.energystar.gov/ia/partners/downloads/unit_shipment_data/2012_USD_Summary_Report.pdf
(d) *Appliance Magazine*, "31st Annual Portrait of the U.S. Appliance Industry," 2008; U.S. Department of Energy, ENERGY STAR Residential Water Heaters: Final Criteria Analysis, 2008.

Regardless of program goals, your product selection will affect your program. Consider the following general trends when selecting which products to cover:

- **HVAC equipment and water heaters generally offer greater energy savings potential than major appliances.** These products tend to have longer lifetimes and higher overall energy consumption.
- **HVAC equipment and water heaters tend to be emergency purchases.** Because of this, rebate uptake may be unpredictable. Rebate programs for these products can require additional outreach to consumers, contractors, and distributors, because consumers may not be looking for a rebate at the time of replacement.
- **HVAC equipment and water heaters require specialized installation.** Verifying product installation may require additional time. Installation costs for high-efficiency equipment can drive up total consumer cost, so you may need to offer higher rebates to spur purchases.
- **Nearly all HVAC equipment sales and a large portion of water heater sales are through contractors.** Consumers may have access to only those products sold by the contractor they select. Therefore, outreach to contractors may be necessary to ensure that consumers can purchase eligible products.
- **Appliances tend to be planned purchases.** Consumers typically conduct significant research on these products, so there is more time and opportunity to alert them to rebate program offerings.
- **Appliances are nearly always sold through retailers.** These retailers include national and regional retailers, local appliance dealers, home improvement/DIY stores, and hardware stores. This makes eligible appliance products easy for consumers to find.
- **HVAC equipment and room air conditioner sales tend to be seasonal.** Targeting rebates on-season (cooling products for summer, heating products for winter) will likely increase program uptake.

Table 2 summarizes the advantages and disadvantages of offering rebates on appliances, HVAC equipment, and water heaters.

Table 2: Summary of Product Category Advantages and Disadvantages

Product Group	Advantages	Disadvantages
Major Appliances	Easy to understand	High existing market share of efficient products (limited potential for overall increase in market share)
	Products readily available	Less energy savings
HVAC Equipment and Water Heaters	Greater energy savings	Requires specialized insulation
		Products not always available

Maryland utilities already offered rebates on refrigerators, so the Maryland Energy Administration (MEA) gave consumers the option of purchasing an ENERGY STAR qualified refrigerator and receiving the utility rebate, or purchasing a CEE Tier 2 or above refrigerator and receiving an additional $50 rebate. MEA offered consumers a similar option for clothes washers, with an additional SEEARP rebate of $100. Maryland's program was successful because the utilities provided information about tiers to consumers, so they could easily understand which products qualified for the additional rebate amount.

2.2 Criteria

DOE suggested that program eligibility include all ENERGY STAR certified products in the 16 product categories offered to states. DOE gave states the option to determine eligibility using federal tax credit levels, CEE (Consortium for Energy Efficiency) tiers, or custom tiers ranking products that were more efficient than ENERGY STAR models, while noting that doing so would add to the complexity of the program.

DOE program staff thought that designing programs based on tiers might lead to consumer confusion, rebate rejections, and negative perceptions of SEEARP. However, states that had previous experience with rebate programs and tiers or collaborated with utilities that had such experience were often very successful. In many cases, states designed their programs to augment existing utility programs, relying on the utilities to communicate with consumers about efficiency tiers.

The majority of states used ENERGY STAR to determine product eligibility. Some states, especially those where ENERGY STAR already had significant market share or where state law set higher efficiency requirements, rebated products based on more stringent efficiency levels.

Some states offered tiered rebate amounts based on efficiency level.

Table 3 shows energy and water efficiencies for a range of clothes washers available during the SEEARP. The numbers show the savings achievable through rebate offers for equipment that functions at efficiency levels higher than the federal standard.

Table 3: Clothes Washer Efficiency and Annual Savings During SEEARP

Efficiency Level*	CEE Tier	Required Efficiency		Annual Savings‡		
		Minimum Modified Energy Factor √ (MEF)	Maximum Water Factor ** (WF)	Electricity (kWh)	Natural Gas (Therms)	Water (Gallons)
Federal Standard	None	1.26	9.5	N/A	N/A	N/A
ENERGY STAR 2009	1	1.8	7.5	111	3.07	5,271
ENERGY STAR 2011	2	2.0	6.0	144	4.34	7,402
—	3	2.2	4.5	147	4.49	7,549

* Note: This table presents the criteria in effect during SEEARP. ENERGY STAR and CEE have since updated their criteria.
‡ Savings are in comparison to the federal standard
√ Modified energy factor (MEF), the current measure of clothes washer efficiency, is the ratio of the capacity of the washer to the energy used in one cycle. MEF includes energy used to operate the machine, heat the water used for washing, and dry clothes after the wash. The higher the MEF, the more efficient the product.
** Water factor (WF) measures the ratio of the quantity of water used in one cycle to the capacity of the washer. The lower the WF, the more efficient the product.

Each state has its own priorities regarding energy issues, and those priorities should be reflected in the product eligibility criteria. In general, simple product criteria make it easier for consumers to understand the program and reduce the likelihood that consumers will purchase ineligible products. Whatever criteria you use, be sure to explain eligibility requirements clearly in your program materials for consumers, retailers, and distributors. Table 4 summarizes the advantages and disadvantages of using ENERGY STAR certification and CEE tiers to determine product eligibility for rebate programs.

Table 4: Advantages and Disadvantages of Using ENERGY STAR Certification and CEE Tiers To Determine Product Eligibility

Product Group	Advantages	Disadvantages
ENERGY STAR Certified	Consumers can easily understand requirements.	Savings are Lower
	Retailers are already familiar with the products.	
	Retailers, distributors, and manufacturers will likely not have to alter distribution process much.	
CEE or Other Tiers	Energy savings are maximized.	The program can be more difficult to administer.
		Unfamiliar tiers can lead to consumer confusion.
		Retailers, distributors, and manufacturers may have to modify distribution process.

2.3 Setting Rebate Levels

DOE recommended that that SEOs take into account energy savings potential, price difference between ENERGY STAR qualified units and baseline units, current ENERGY STAR product sales, and other available rebates or incentives when determining rebate levels. Because SEEARP was a stimulus program, states had to set rebate amounts that would induce consumers to make purchases before products needed to be replaced, while simultaneously maximizing the number of participants.

Rebate levels varied widely from state to state. Table 5 presents the number of rebates, range of rebates, and average rebate amounts by product category.

Table 5: SEEARP Rebate Summary

PRODUCT	REBATE INFORMATION					
Product	Rebates	Rebate Amount Min-Max (average)*	Total Value of Rebates ($ million)	Average Sales Price	Average Rebate Amount (percentage of purchase price)	Total Sales ($ million)
Appliances**	1,575,406	$20–$1,000	$175	$876	14%	$1,059
	88%	($121)				
HVAC	177,903	$75–$1,600	$83	$5,137	7%	$850
	10%	($360)				
Water Heaters	30,116	$25–$2,000	$7	$1,106	17%	$39
	2%	($191)				
Total√	1,783,425		$264			$1,948

* States determined rebate amounts independently, so these amounts varied considerably. A comprehensive list of rebates by product is presented in Volume II – SEEARP Quantitative Results.
** Appliances include clothes washers, dishwashers, freezers, refrigerators, and room air conditioners.
√ Totals do not include 177,029 recycling bonuses paid by states, with a total value of $7.4 million.

Iowa's rebate processor had a long history of successful campaigns with large organizations, but extensive marketing for the program and large rebate values for certain appliances created such a tremendous response that the program website and phone systems crashed. This resulted in negative publicity for the program. Iowa suggested that smaller rebate values would have lessened demand somewhat and helped spread the program over a longer period of time.

Arkansas, on the other hand, found that the high initial response to its program waned quickly. The SEO recognized that the initial rebate amounts were too low to incentivize early replacement of old appliances, suggesting that the high initial demand came from consumers who were already planning appliance replacement. Once the SEO increased rebate values, it was able to attract additional participation.

Retailers noted that states that offered only small percentage-off rebates (less than 15% of the purchase price) had little impact on purchases. States that paired SEEARP rebates with utility or other rebates found that they could reduce SEEARP rebate amounts and keep consumer incentives high, effectively increasing the number of consumers who could participate in the program. States that offered rebates in excess of 50% did so to provide assistance to low-income residents or those affected by natural disasters.

Rebate levels should reflect program goals. Disaster relief programs and programs targeting low-income households, for example, typically offer large rebates because their target consumers cannot afford the purchase price of the product without significant

assistance. Economic stimulus programs, on the other hand, generally offer rebates large enough to encourage consumers to replace products but not so large that funding is rapidly depleted, limiting participation in the program. A program designed to promote energy savings could provide rebates that simply cover the price premium for more efficient products.

Some options when setting rebate levels include the following:

- **Offer rebates as a set amount per eligible appliance.** This typically results in the simplest programs for consumers and SEOs, as all rebates are the same. However, fixed rebates can sometimes be too high or low relative to product pricing, which can lead to over- or under-subscription, respectively.
- **Issue rebates as a percentage off the purchase price** (up to the full value of the appliance). Percentage rebates can correct for variations in price and allow for finer adjustments to prevent over- or under-subscription. However, they are harder to track because every rebate is a different amount. They can also be used by consumers on products with higher price tags, which consumes funds quickly and therefore limits.
- **Establish a per-consumer cap on rebates.** This increases the number of consumers who can receive rebates, especially for programs that offer rebates as a percentage off the purchase price of the appliance.
- **Combine rebates with federal tax credits or other rebates offered by utilities or retailers.** This increases the value of the rebates without costing your program more money and can therefore help maximize consumer participation. Programs that offer higher rebates typically generate the most consumer interest.
- **Set rebate levels based on the overall cost of the product.** HVAC equipment, for example, is very expensive, requiring commensurately high rebates to influence consumers to purchase such equipment before it needs to be replaced. On the other hand, programs can often encourage sales of less expensive products, such as room air conditioners, with more modest rebates.

Arizona offered generous rebates for water heaters with higher efficiency than ENERGY STAR. However, retailers often sold ENERGY STAR water heaters but not the higher-efficiency water heaters targeted by the program. As a result, the custom tier confused customers, and Arizona water heater rebate applications had a rejection rate of over 50% during SEEARP. The lack of a utility program covering water heaters and the difficulty of finding higher-efficiency water heaters through plumbers and plumbing wholesale supply companies exacerbated the problem.

Maryland, on the other hand, selected products already covered by utility rebates, funneling SEEARP funds to utilities to add additional rebates to their existing programs. The funding enhanced utility efforts already in place, which kept administrative costs low. The SEO provided funds from another state program to pay for the utilities' additional administrative costs to ensure that the utilities did not levy the additional costs on ratepayers.

New Hampshire offered rebates on solar and ground-source HVAC equipment, products for which rebates had not previously been offered, which generated excitement for its program and stimulated the market for these products.

2.4 Coordinating with Other Rebates and Incentives

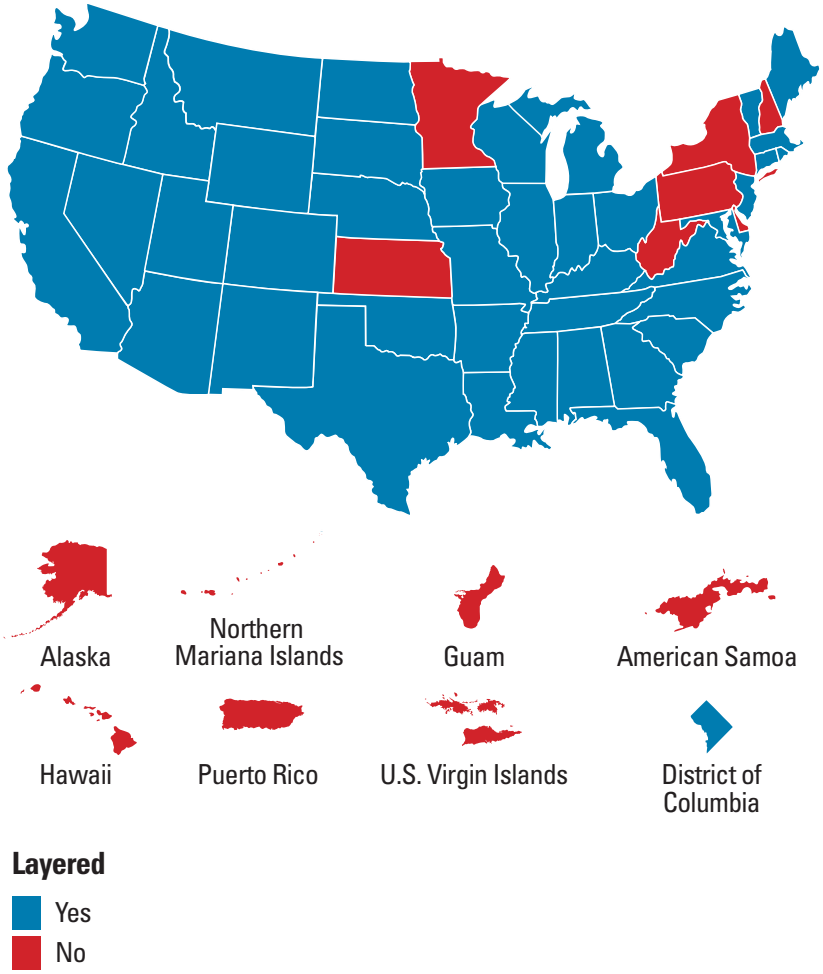
DOE recommended that states consider federal tax credits and other rebates offered in-state when selecting products to be covered under their programs. Layering SEEARP rebates offered through other programs would increase incentives to consumers, further encouraging purchases.

SEEARP programs interacted with existing state and local programs in four ways:

- Where no programs existed, states offered rebates for the first time.
- Where other programs existed, states could do any of the following:
  - Layer SEEARP rebates with existing rebates
  - Promote higher-efficiency products through higher rebates
  - Expand existing programs to a broader range of products

This map shows which states layered their SEEARP programs with other rebate and tax incentive programs.

Figure 3. SEEARP Programs in Isolation versus in Combination with Other Incentives



The most successful state programs paired SEEARP rebates with other incentives available in their state or region. Those rebates were usually offered by utilities, and states that worked closely with their utilities benefited from the partnerships. Coordinating program launch and eligibility periods with state tax holidays helped some states generate excitement and offer additional consumer incentives, which drove uptake.

To expand participation rates of your program and ensure a positive perception of the program, maximize the number of available rebates and the size of consumer incentives. Some ways to achieve this include the following:

- Offer rebates on products also covered by federal tax credits, which allows you to provide significant consumer incentives without having to fund larger rebates. This increases the number of rebates you can issue. You can check available federal tax credits for ENERGY STAR products at www.energystar.gov/?c=tax_credits.tx_index and www.dsireusa.org/.
- Offer rebates on products for which other rebates are available, often through utilities, retailers, or other state or regional rebate programs.
- Set purchase eligibility periods to coincide with state tax incentives, such as tax credits or tax holidays.
- If using criteria other than ENERGY STAR, collaborate with utilities, retailers, or other entities that have experience with such criteria. Providing lists of qualified products and locations where consumers can purchase them is helpful in reducing the number of consumers who purchase ineligible products.

Missouri used its SEEARP program to encourage residents to take advantage of a state bill that offered tax deductions to any consumer who had a home energy audit performed by a state-certified auditor. That consumer could claim an individual income tax deduction for the cost of the audit and the cost of implementing the energy efficiency recommendations resulting from the audit, up to $1,000.

SECTION 3: PROGRAM DESIGN AND REQUIREMENTS

Program administrators must make numerous program design decisions. The Energy Policy Act of 2005 (EPACT), which established SEEARP, required that rebates be applied toward the purchase of new appliances that were replacements for used appliances of the same type. It also required that states limit rebate eligibility to residential consumers who were replacing existing appliances. Landlords and those making purchases for multifamily buildings were not eligible, as purchasing appliances in those instances was considered a commercial enterprise. Beyond these restrictions, DOE left the determination of participant eligibility requirements, proof of replacement, haul-away and recycling requirements, application submittal and processing, and requirements for program partners up to the SEOs.

DOE required states to report data about their programs, including information about rebated products and rebate funding. States needed to submit program planning material, including budgets, before the funding was released. At the conclusion of the program, each state submitted final program documentation, including a narrative report, timeline, and final budget.

3.1 Understanding Policy and Regulatory Requirements

Many federal, state, and local policies and regulations can affect states designing rebate programs. As you are planning your program, be sure to consider all potentially relevant policies and regulations to determine which ones are relevant to your program. Some federal policies, regulations, and requirements DOE and states needed to consider during SEEARP were the following:

- **The Davis-Bacon Act,** which requires contractors performing work on federal or District of Columbia contracts to pay their laborers and mechanics the same prevailing wage rates and fringe benefits as those employed in comparable capacities on similar projects in the area
- **The Buy American Act,** which requires the U.S. government to favor products manufactured in the United States in its acquisitions and purchases
- **The National Environmental Policy Act (NEPA),** which requires federal agencies to integrate environmental values into their decision-making processes
- **IRS 1099 forms,** which are used for reporting miscellaneous income
- **Title VI of the 1990 Clean Air Act Amendments (40 C.F.R. Part 82),** which prohibits the sale and redistribution of appliances containing HCFC-22, HCFC-142b, or blends containing either or both of those refrigerants

While DOE determined that none of these applied to SEEARP, be sure to consider these and other potentially relevant federal, state, and local policies and regulations ahead of time to prevent setting up a program that does not comply.

Regulatory policies that govern electric and natural gas utilities can put constraints on the market for energy-efficient products. Some examples include:

- Policies that do not allow utilities to earn return on their investments in energy efficiency
- Utility, state, and regional policies that restrict which entities get credit for energy efficiency savings resulting from partnerships
- Cost-effectiveness requirements that limit rebate amounts

When designing your rebate program, it is important to be aware of the regulatory environment faced by your state's utilities (if you are planning to work with them), as well as other policies that could affect the development and implementation of your program. If utilities are unable to participate in your program because of regulatory constraints, select products for which other stakeholders, such as retailers or distributors, can offer program support. The Database of State Incentives for Renewables & Efficiency (DSIRE) (www.dsireusa.org) is a comprehensive source of information about national, state, and regional incentives and policies related to energy efficiency and renewable energy.

Shortly before **Virginia** designed its SEEARP program, the state regulatory structure changed to allow gas and electric utilities to recover costs from efforts to improve energy efficiency. With this new structure in mind, Virginia attempted to partner with utilities to help with program marketing and to layer SEEARP rebates onto utility programs. However, because of the slow process of regulatory oversight and approval for measures, electric utilities were unable to commit to the program, delaying program launch.

When a massive tornado struck **Joplin, Missouri,** the SEO used its remaining funds to help residents in areas affected by the disaster replace lost appliances. To qualify for rebates, residents of Joplin had to provide legal proof of qualification for disaster assistance due to damage or destruction caused by the tornado and verify that they had not received full reimbursement for appliances through their insurance. In addition, purchases had to be made from a participating Joplin retailer.

Kansas limited its program to low-income residents, offering rebates of 100% of the purchase price of major appliances. **Alaska** provided rebates to residents with disabilities and seniors and residents with disabilities. **Oregon** targeted low-income homeowners with rebates of 70% of the purchase price of furnaces, heat pumps, water heaters, clothes washers, refrigerators, and dishwashers.

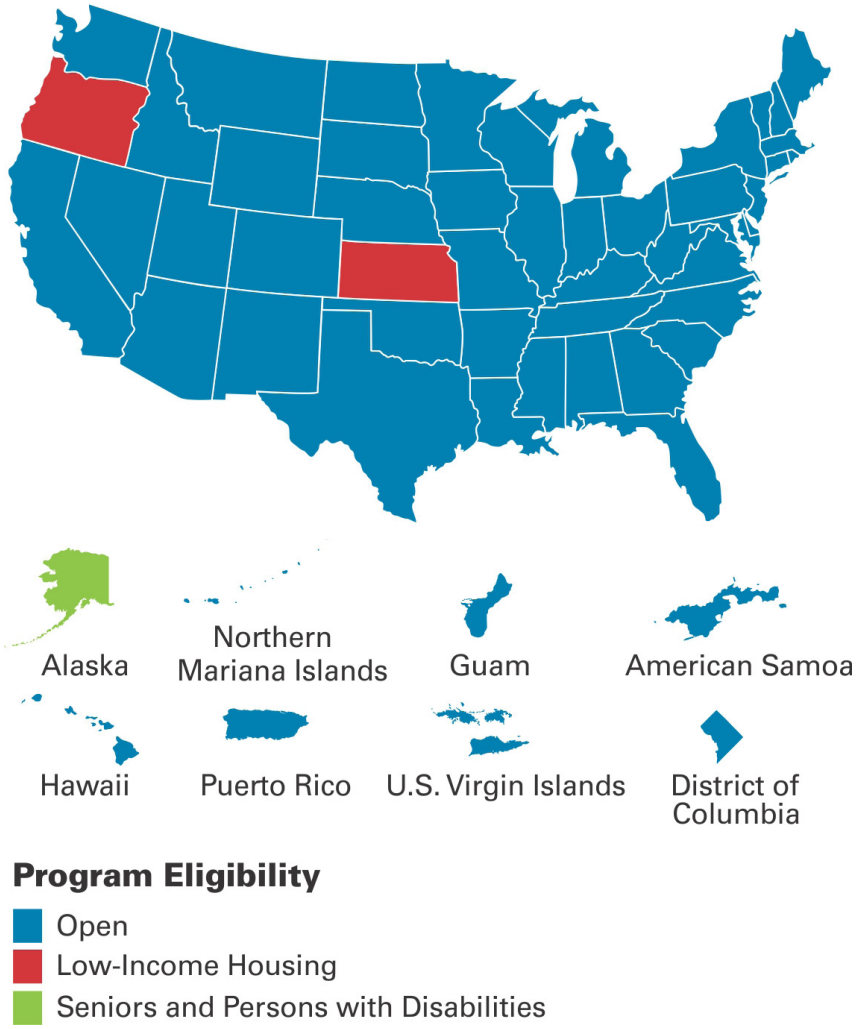
3.2 Participant Eligibility

Nearly all states (53 of 56) opened their SEEARP programs to all residents. The states that limited participation did so to target specific underserved populations. A few states responded to natural disasters that occurred during the program's operational period by using SEEARP to help affected residents replace their damaged appliances.

Many states limited consumers to one rebate per product type, and some states limited rebates to one per address. Most programs restricted eligibility to single-family homeowners.

This map shows SEEARP program eligibility by state.

Figure 4. Program Eligibility by State



Be sure that your program eligibility rules are specific and that they support your program goals. It is generally a good idea to allow all state residents to participate in the program, but limiting participation may be appropriate for some program goals. Consider the following when determining program eligibility:

- **Whether the program will be open to all state residents.** For programs targeting energy or water savings, opening the program to all residents increases the efficacy of the program.
- **Whether seasonal residents will be eligible for the program.** If your state has many seasonal residents, consider selecting products that are used during the season when those residents reside in-state to maximize energy savings.
- **Whether participation will be limited to low-income residents**, A targeted rebate program can help struggling residents buy new products and can increase your program's impact, as low-income consumers are generally less able to afford the price premium of more efficient products.
- **Whether eligibility will be limited to residents of areas affected by natural disasters.** If you use your program for disaster relief, you may choose to let all residents of affected areas participate, or you may limit eligibility to affected residents who are eligible for Federal Emergency Management Agency (FEMA) assistance and/or who do not receive full reimbursement from their homeowners insurance.

West Virginia joined the Responsible Appliance Disposal Program in preparation for SEEARP and required that replaced units be recycled. Colorado offered an additional $50 incentive to consumers who provided documentation that they had recycled their old refrigerators, resulting in 96% of all units that were replaced being recycled.

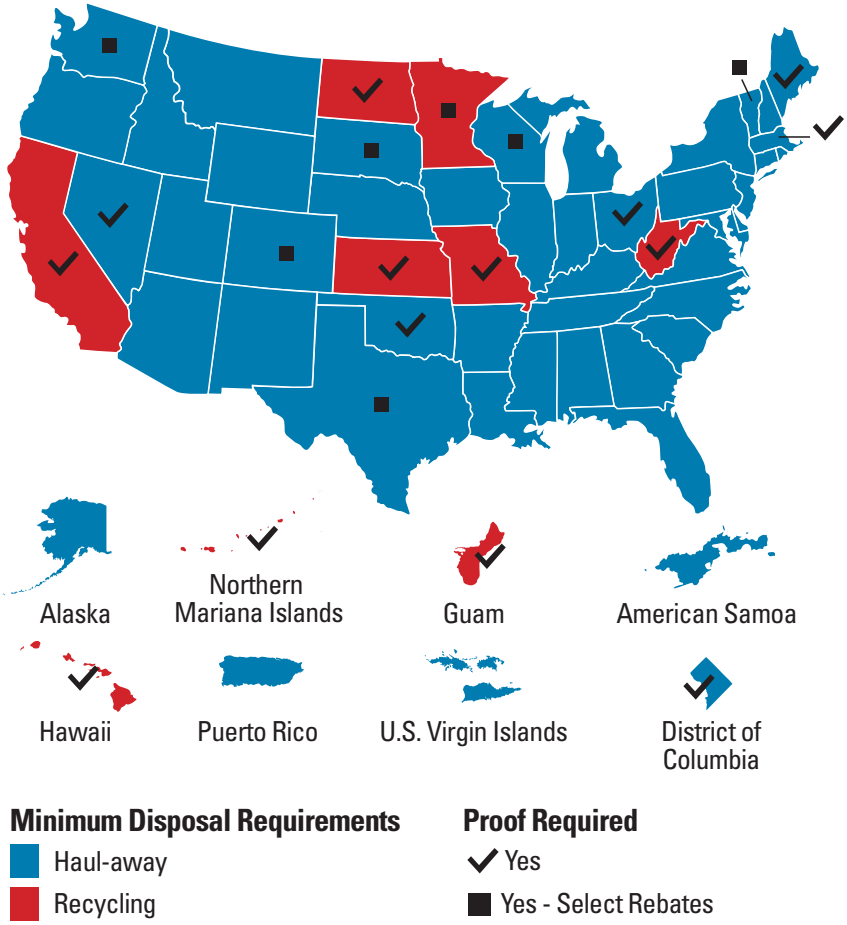
3.3 Haul-Away/Recycling

For SEEARP, DOE defined proper disposal as "the removal of an appliance and disposal of it in a way so that it cannot be refurbished or re-sold. The old appliance is handled in accordance with all federal and state waste management laws, which at a minimum includes the capturing of refrigerant. Proper disposal does not include recycling."

Recycling, on the other hand,"includes the de-manufacturing of the old appliance. De-manufacturing includes handling all hazardous materials in accordance with federal, state, and local laws; and all recyclable materials (e.g. plastics, metals, and glass) are sorted and reprocessed into raw materials for future reuse." While states were not permitted to use SEEARP funding for direct payments to consumers for recycling products that were replaced, states could use SEEARP funding to administer a program's recycling component. DOE strongly encouraged states to include a recycling component in their programs to ensure that old, inefficient appliances were removed from the grid and kept out of landfills.

Eight states required haul-away or proper disposal for their programs. In some of these states, participating retailers or vendors were required to offer haul-away services to consumers as part of their participation agreements. Some retailers waived their usual haul-away fees to further encourage proper disposal. In other states, consumers were required to provide a receipt as proof that products had been hauled away or self-certify that units had been disposed of. Eighteen states' SEEARP programs required consumers to recycle old units, and six states paid bonuses to consumers with proof of recycling.

Figure 5. State Recycling and Haul-Away Requirements during SEEARP



States used a variety of methods of managing recycling as part of their SEEARP programs, including the following:

- **Consumer education.** States promoted recycling through existing municipal, local recycler, and utility programs. States may have used other resources, such as materials from DOE's *ENERGY STAR Make a Cool Change* and *Make a Clean Change* appliance recycling campaigns. While information about the benefits of recycling may be enough to motivate some consumers, making recycling or haul-away a requirement for receiving a rebate further incentivizes consumers to recycle or dispose of their products properly.
- **Self-certify replacement.** Applicants signed a statement on the rebate application form certifying that their old appliances were replaced. While this approach simplified the application process for consumers, it opened the program to potential fraud. The threat of an audit may not be enough to keep some consumers honest.

- **Requiring proof from the consumer.** Some states required that applicants include documentation from a retailer or recycler proving that the used appliance was hauled away for proper disposal or recycling. Requiring such proof is more effective at ensuring proper appliance disposal than self-certification. However, if haul-away services from retailers are expensive or the state lacks sufficient recycling infrastructure to transport products to recycling centers in a way that is convenient for consumers, some consumers may be deterred from participating in the program.
- **Requiring proof from the retailer.** Retailers signed an agreement to properly dispose of or recycle all appliances replaced under the program. If retailers charge consumers for these services, it may lead to a negative perception of the program or reduce participation rates, as it will effectively reduce the value of the rebate.
- **Recycling bonus.** Some states provided a recycling bonus for consumers who submitted proof that their old appliances were recycled. States could not use SEEARP funding for recycling bonuses, but future programs may not have that constraint.
- **Multiple methods.** Some programs used more than one method, for example, requiring proof of recycling for old appliances containing refrigerants while allowing self-certification of replacement for other appliance types.

Lessons Learned from Recycling Vendors

While recyclers and recycling organizations typically did not have to change their appliance recycling procedures to respond to rebate programs, their experiences during SEEARP led to the following observations:

- Big programs with recycling requirements increase recycling call center activity, which can increase caller wait times to ask questions or schedule appointments for recycling program appliance pick-ups.
- Developing documentation to certify recycling can be challenging.
- Including recyclers in discussions with program administrators during the program planning stage can help recyclers better understand their role in the program, including the reporting requirements and any forms they need to develop.

Retailer Experience with Recycling Requirements

Some retailers were forced to change their operating procedures to comply with program recycling requirements, especially those that had a practice of refurbishing and reselling used appliances instead of disposing of or properly recycling them. These requirements increased operating costs for retailers that did not already provide recycling services. While SEEARP prompted many independent retailers to change their practices to comply with state

program requirements, some retailers had to develop programs from scratch and build relationships with recyclers, which was time-consuming and costly. Retailers noted that giving consumers incentives to recycle resulted in a significant increase in recycling rates.

Guidance about Recycling

For programs with a recycling component, the best way to encourage recycling is to offer bonuses to consumers for recycling their old appliances. If you do not have funding for recycling bonuses, you can work with local utilities or other organizations that might offer consumers money for getting their old appliances off the grid. Verify that the entity collecting the existing appliance does not refurbish and resell it, as this defeats the purpose of a replacement program.

If you are planning to include a recycling component in your program, consider the following:

- **Form partnerships with retailers, local recycling organizations, your state department of environmental protection, recycling service providers, and local solid waste departments**. These relationships can reduce your administrative burden and provide valuable insight into the recycling process and best practices.
- **If your state has a strong recycling infrastructure, make use of it.** This will make it easier for program partners to implement a recycling mandate.
- **Offer recycling bonuses.** Recycling bonuses give consumers financial incentives to recycle old appliances.
- **Require vendors or retailers to dispose of replaced appliances.** Some states required participating vendors to sign agreements that they would properly dispose of products. Encourage retailers to waive any usual haul-away or recycling fees.

3.4 Application Process

During SEEARP, each state designed its own application process. For states with limited previous experience running rebate programs, DOE suggested using a mail-in system because it is typically the least complicated rebate system and many consumers were already familiar with the rebate application process.

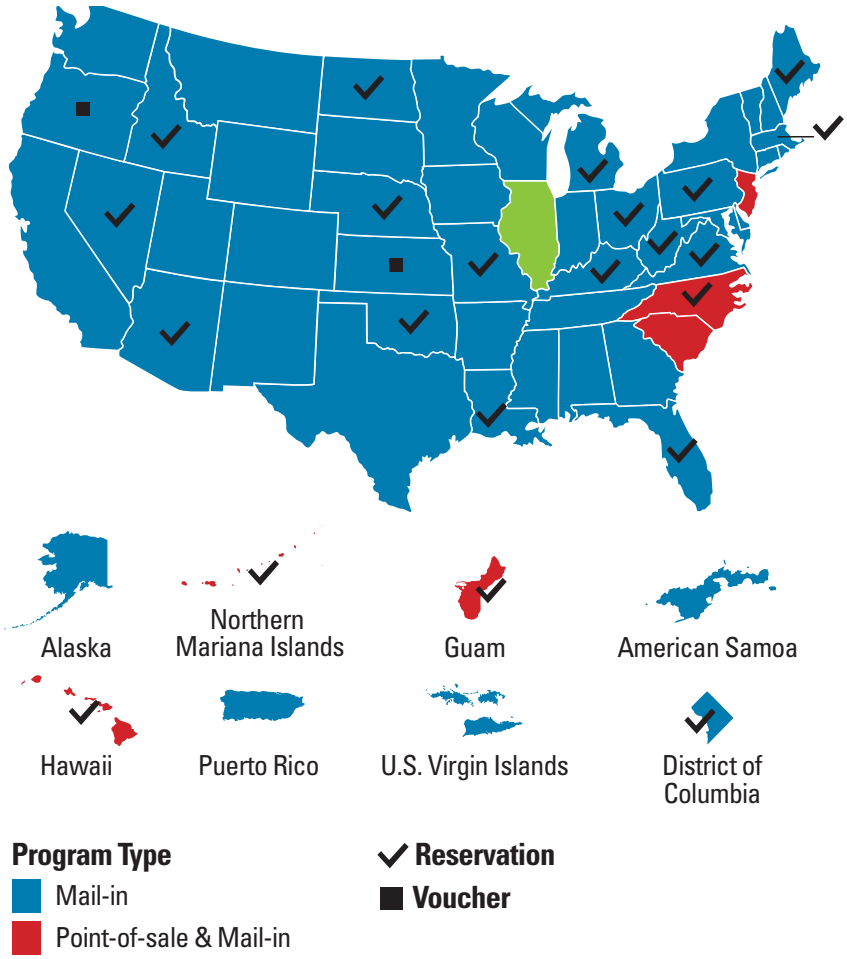
The majority of states used a mail-in rebate model for rebate applications in SEEARP. Some key features of this model were availability to all consumers statewide and direct interaction between consumers and the SEO or utility acting on its behalf. The consumer was responsible for submitting applications.

Other states used the point-of-sale for rebate submission. This model is easier for the consumer but typically more complicated for the retailer.

More than half of states used first-come, first-served systems, while the rest relied on reservations or voucher systems. Each of these systems has advantages and disadvantages, depending on the goal of the program and the target population. Figure 6 shows the program models states used during SEEARP, and Table 6 summarizes the advantages and disadvantages of each rebate system.

This map shows the program models states used during SEEARP.

Figure 6. State Rebate Program Models Used during SEEARP



Regardless of the system employed, DOE suggested that states collect the following information in the rebate application:

- **Rebate recipient information**, including participant name, full address of home where appliance is installed, property type (single-family home, apartment, condominium, or townhouse), mailing address (if different from installation address), phone number, and email
- **Participant utility information**, including electric, gas, and water utility names and customer account numbers
- **Appliance information**, including product type, rebate amount, brand, model number, serial number, purchase date, purchase price, installation date, and whether consumer applied for a utility rebate for the same type of appliance (if so, utility name, date of application, and rebate amount)
- **Replacement certification statement**, completed by the consumer or participating retailer, indicating that the new appliance replaced an existing appliance of the same product type
- **Appliance haul-away/disposal and/or recycling information**, including proof from the consumer, utility, retailer, or vendor
- **Installer information and signature** for HVAC equipment or other products requiring a contractor to install

States should also distribute the following information (preferably as part of the application packet) to help consumers understand the program requirements and rebate application process:

- **Checklist of additional required documentation,** including original sales receipt displaying date of purchase and make or model number of the new product, proof of residency (e.g., copy of state-issued ID or utility bill that shows consumer's name and address), proof of haul-away or disposal (if required), and proof of recycling (if required)
- **Program terms and conditions**, including eligibility criteria, application deadline, qualified product information, incentive availability, and legal disclaimers
- **State program contact information**, including full SEO address or address where consumers are to send application materials, phone number, and program website address

When designing a rebate program, states have to consider three key variables for their application process: the rebate application method, the rebate claiming process, and the rebate payment type.

Table 6. Advantages and Disadvantages of Rebate Program Models

Rebate Application Method	Advantages	Disadvantages	Notes/Observations
Mail-in	Familiar to consumers	Frequent errors in applications	Works well for home appliances, which are typically less expensive than HVAC equipment
	Familiar to rebate processors		
	Easy to provide application on-line and at retail location	Application errors take time and effort to identify and resolve	
Instant/Point-of-Sale	Consumer gets rebate immediately	Retailer responsible for explaining consumer and product eligibility	Rebate can be issued at the store or via mail from a form generated by retailer at point of purchase
	Generates goodwill for retailer	Puts administrative burden on retailer	
	Convenient for program administrator	Difficult to track rebate funding availability in real time	Generally works best when demand is low to moderate
		Program sponsor may not get consumer goodwill	
Rebate Claiming Process	**Advantages**	**Disadvantages**	**Notes/Observations**
Reservation	Low risk for consumers of purchasing a product and not receiving a rebate	Many consumers reserve rebates but do not make purchases	Giving each reservation an expiration date frees unused rebates for other consumers
	Easy to track remaining rebate funding	Reservation systems can be overwhelmed by high demand	Works well for expensive products (such as HVAC equipment) because it reduces consumer risk
Voucher	Easy for consumers	Vulnerable to favoritism and corruption	Works best when target population is small
	Helps program target specific populations		Works well where Internet access is limited
First-Come, First-Served	Lower administrative costs	Can be hard to track available rebate funding	Works well where demand is high
		Susceptible to oversubscription	Addressing rebate application rejections quickly helps consumers get rebates and helps program administrators track remaining funding
		Consumers risk making a purchase and not receiving a rebate	

Table 6. Advantages and Disadvantages of Rebate Program Models (cont.)

Rebate Payment Type	Advantages	Disadvantages	Notes/Observations
Discount	Easy for consumers to understand	Unless there is a cap on rebate amount, can be applied to the purchase of high-end products, which depletes funding quickly	Works well with point-of-sale systems
	Can help prevent fraud because funds are paid directly to retailer		
Check	Easy to track	Not all consumers have access to banks	Works well with mail-in applications
	Funds from uncashed checks can be reclaimed to use for more rebates		
Prepaid Card	Can be used at almost any retailer	Set-up and maintenance fees can reduce value of rebate	Works well with mail-in applications
		Unclaimed/unused cards are generally the property of the company issuing the cards, and program administrators may not be able to reclaim funds	

North Carolina, which used a point-of-sale direct-payment system in the first phase of its program, reported that consumers and retailers liked the system because it was instant, was paperless for consumers, and provided more foot traffic in stores. Retailers also liked the web-based reimbursement application because it was easy to use and they got their funds quickly.

Montana used an online rebate application for its mail-in system. Upon completion of the application, the consumer received a unique identification number. Consumers were required to mail the original receipt or proof of purchase to the SEO. This system enabled the SEO to avoid oversubscription by having a more accurate estimate of available rebate funds, and the automated application expedited the review process.

Point-of-sale systems, such as the ones used in **Nebraska** and **Wisconsin,** encountered problems similar to those of first-come, first-served mail-in rebate models. Consumers ran the risk of purchasing products after funding had been exhausted, which led to consumer hesitation about making purchases and frustration if they did not receive the rebate.

Alabama's experience with reservations highlights why high demand can work against reservation systems. Only 50% of consumers who reserved funds followed through to apply for rebates. When the SEO shifted to offering rebates to consumers on the waitlist, many consumers did not want to risk making purchases without the assurance of receiving rebates. Giving consumers a limited time in which to submit rebate applications after making a reservation might have helped prevent reservation "squatting," in which consumers reserve rebates but do not make purchases, thereby keeping other consumers from getting rebates.

Louisiana conducted a very successful reservation program; within seven days of program launch, all funds were reserved. Once consumers reserved rebates, they had 30 days to make purchases and submit applications. When the 30-day window ended, unclaimed funds were made available to other consumers.

Guam ran a very effective voucher program. Vouchers were issued on a first-come, first-served basis; government officials and Guam Energy Office staff were not given special priority. Vouchers had to be approved directly by the SEEARP manager, which helped reduce the likelihood of favoritism and corruption. Guam's program prevented rebate squatting by giving consumers 15 days to redeem vouchers.

California had a huge demand for energy-efficient appliances and opted to use a first-come, first-served mail-in system. The California Energy Commission (CEC) did not report problems with oversubscription, which indicated that the mail-in system, in conjunction with other program design elements, was a good choice.

3.5 Data Requirements

Preparing reports can help you track available funding and calculate program impacts. During SEEARP, DOE required each state and territory to submit quarterly reports including number of rebates issued, total value of rebate payments, number of appliances hauled away, method of haul-away verification (third-party estimate, consumer self-report, or state estimate), number of appliances recycled, and recycling verification. The required final reports included a rebate summary reporting the number of rebates paid to consumers and the total dollar value by product category and month, an incremental benefits summary reporting the approximate number of SEEARP rebates issued that overlapped with rebates from other sources, an appliance disposal summary reporting the number of units that were hauled away for disposal or recycled during the program, and a rebate database.

DOE required states to keep track of relevant information and compile reports, and the states that frequently monitored rebate information from rebate processors and performed data checks were better able to identify cases of fraud and rectify falsely rejected applications than states that did not.

Program administrators will likely want to collect these data while the program is in progress; gathering this information after the fact is extremely difficult. Data collection can be time consuming, so balance the data requirements with the level of effort for collection and reporting. Collecting at least the following will make it much easier for you to run your program efficiently and analyze its impacts.

Consumer information

- Full name
- Residence address
- Product installation address
- Phone
- Email

Purchased product information

- Model number
- Purchase location name and address
- Purchase date
- Purchase price
- Delivery/installation date

A database is a helpful tool to collect information about appliances and other products purchased during the rebate program, allow you to keep track of the status of rebates and the number of rebates remaining, and perform analysis on the program once it is concluded. It is important to complete and test your database well in advance of the program launch to avoid delays once the program has commenced. Some additional things to consider about data requirements and the collection process include the following:

- **If you use a rebate processor, ensure that you will have access to the rebate data** so that you can perform evaluation, measurement, and verification (EM&V) and audits and can identify and resolve any issues that arise concerning individual rebates.
- **Give program administration staff access to data related to individual rebate applications** to help you answer questions about the status of applications and reasons for rejection and estimate remaining program funding.
- **Provide public preliminary or quarterly reports for long-term programs** to inform stakeholders and consumers about the effects of the program and encourage more consumers to participate.

Illinois' program was managed by the Midwest Energy Efficiency Alliance (MEEA), and it was very successful thanks to close communication between MEEA, the Illinois Department of Commerce and Economic Opportunity (DCEO), and rebate processor Electric Gas and Utilities Association (EGIA). Before issuing rebates, EGIA received a report from each participating retailer and distributor including such data as store name, store location, consumer ZIP code, purchase price, and rebate amount. This information was loaded into a rebate tracking spreadsheet, which was validated and checked for errors. Retailers were also required to submit copies of invoices or receipts. MEEA received weekly budget updates from EGIA, and if they were approved, MEEA issued rebate checks. The result of this close communication was an application rejection rate of less than 1%.

California and **Virginia** constructed comprehensive databases that kept track of products, rebate amounts, purchase locations, and other specific information about rebate applicants. The CEC Commission staff database also allowed it to correct over 20,000 application claims that were initially incorrectly rejected by the rebate processor.

Virginia used a comprehensive online process that automated the complex submission requirements using a public web interface. The web application included notification of rebate availability and email notification, user rebate reservation request, user data validation, instant calculation of eligible rebate amounts based on user selections, and integrated anti-fraud rules to prevent fraudulent submissions. The result was that Virginia's SEO had very accurate and up-to-date data about the status of rebate applications, reasons for rejections, and remaining funds. The automated processes reduced cases of fraud by rejecting ineligible appliances and enabled the SEO to quickly address and audit cases of fraud that did occur.

3.6 Program Impacts

Collecting the following information for each rebate will make it easier for you to analyze your program and evaluate its impacts:

- Date of purchase
- Model number
- Pre-tax purchase price
- Amount of rebate payment
- Whether the product was recycled or hauled away
- Whether an a recycling bonus was applied
- Air-Conditioning, Heating, and Refrigeration Institute (AHRI) certified reference numbers of split system central air conditioners
- Solar Rating and Certification Corporation (SRCC) certification number of solar water heaters

You may also want to be able to summarize total impacts, such as the following:

- Number of products rebated in each product category
- Total administrative funds spent, with detail about funds spent by activity
- In-kind contributions provided by program partners

Collecting and analyzing program data will enable you to identify program impacts, trends in consumer spending, and benefits to your state, consumers, and the appliance industry. These data will allow you to conduct detailed analysis of your program, including the following:

- **Timing.** When did consumers make purchases? How long did consumers take to submit applications after purchase or after receiving reservations? When were rebates distributed?
- **Location.** What was the distribution of rebates across urban, suburban, and rural areas? What was the distribution of rebates by ZIP code? By region?
- **Sales.** How did your program affect the state economy? How did it affect the market for efficient appliances?
- **Recycling.** What percentage of rebate applicants took advantage of recycling bonuses when they were available? What types of products were recycled?
- **Product mix.** What was the distribution of products sold overall? By brand? By efficiency level?

In addition to analyzing your program's data, constructing a final narrative report about your program can help you assess the challenges and successes of your program and give you insight into how to run rebate programs better in the future. The report can also be a helpful tool for other SEOs looking to replicate or build on your program.

Florida presents an example of a rigorous fraud detection system. Florida's rebate processor rejected applications that lacked an original sales receipt, listed P.O. boxes as addresses, or were duplicates. When the SEO received an invoice from the rebate processor, staff combed through customer listings for anything unusual (e.g., a business name as the rebate recipient). If SEO staff could not find anything out of the ordinary, the invoices were handed over to an auditor, who investigated 10% of the applicants on an individual basis to confirm eligibility, address validity, rebate amount, and completeness of all paper work. Only after the audit was the invoice sent to the budget officer, then to the fiscal agent in administration, and finally to Florida's Department of Financial Services to be paid. While this was a good check on the rebate processor, most fraudulent applications were discovered during the application process.

3.7 Fraud Prevention

Fraud is a concern for any rebate program. Many states have fraud prevention systems in place already, and collaborating with those responsible agencies can help you set up your program to minimize fraud and detect instances of fraud if they occur.

Rebate applications may be rejected for a variety of reasons unrelated to fraud, including applications not filled out completely or missing required documentation, products purchased outside of the program's eligibility period, purchase of ineligible products, or consumers applying for more rebates than allowed. States can address rejected applications by notifying consumers of their ineligibility or requesting that consumers submit missing information or documentation as appropriate.

Fraud is always a possibility, though. Many rebate processors have fraud prevention systems in place, but programs should double-check cases of suspected fraud and follow up with consumers. Some things you can do to prevent and detect fraud include the following:

- **Work with your local or state agency that handles fraud prevention and detection.**
- **Check whether rebates sent to P.O. boxes include a valid street address.**
- **Verify that there are no duplications in the same product category at the same household.** Use software that checks for similar names to determine if people submitted multiple applications for the same address. This can be simplified by requiring consumers to submit a utility bill or other official document to verify names and addresses.
- **Confirm with retailers that purchases were made at a physical store in the state (if required) and that receipts have not been modified.**
- **Request that rebates be repaid if products were returned and not exchanged for another eligible appliance.** To verify that consumers do not return products and keep the rebates, you can give retailers transaction numbers, dates of purchases, and purchase prices to compare to their own databases. If returns occur, contact the consumer to obtain more information and to request that they return the rebate if necessary.

Feedback from 23 states found that during SEEARP, the majority of identified products being returned were exchanged for eligible products and that consumers who did not replace products with eligible ones were willing to return the rebates. Only a small number of consumers did not respond to SEO attempts to contact them; those cases were forwarded to the relevant state attorneys general for additional follow-up.

SECTION 4: WORKING WITH PARTNERS

States worked with a variety of partners to be successful, including retailers, manufacturers, utilities, rebate processors, and others. States that solicited retailer or utility input during program design had stakeholders who were best prepared to support the program.

DOE offered the following suggestions for what SEOs should require from their partners:

- **Marketing and outreach support**. Retailers must provide copies of materials produced as in-kind marketing support for the state program; train sales associates about program requirements and eligible products; promote the program to consumers via in-store signage, flyers, and advertisements; and confirm program details with the state before placing ads.
- **Program requirements**. Partners must remind customers that the new appliance must be replacing an old one, provide consumers with the rebate application form, inform customers that they must reserve the rebate online before or after purchase and help them make that reservation (if appropriate), verify that the product being purchased is a qualified model, include rebate amounts in the sales price at the point of sale (if using instant rebates), and arrange for haul-away of old appliances.
- **Haul-away, proper disposal, and recycling**. Retailers and vendors must haul away 100% of appliances replaced as part of the state program and ensure that they are recycled or disposed of properly, and provide consumers with documentation verifying that the old unit was hauled away for recycling or proper disposal.
- **Data and reporting**. Retailers and vendors must report monthly or quarterly the number and type of qualifying appliances hauled away for disposal or recycling during the promotional timeframe, or report monthly or weekly sales transactions and haul-away information for each purchase involving an instant rebate.

Florida relied on the Florida Retail Federation (FRF) as the voice for retailers in the state. FRF answered the SEO's questions; suggested dates, time frames, fraud prevention measures, and types of appliances to be covered under the program; coordinated advertising and training programs for all of its members; and provided more than $1 million of in-kind support to help advertise and administer the program.

Illinois dealt with the issue of inconsistent electronic records by requiring all retailers to submit reports containing information about the consumer as well as store location, name, and ZIP code. In addition, Illinois required retailers to submit either invoices or receipts for all items purchased so that they could be referenced against rebate applications.

West Virginia required participating retailers to sign agreements that they would provide haul-away services to consumers who made purchases as part of the program. Those participating retailers were also asked to provide the service at no charge to the consumer, which greatly increased the likelihood of proper product disposal and recycling. As a result, more than 20,000 appliances were hauled away and recycled.

4.1 Retailers

Active retail associations were very helpful to states when they were planning and implementing their programs.

Overall, retailers found working with SEEARP programs to be a positive experience. Some smaller retailers indicated that the rebate program lifted employee morale, and at least one retailer credits SEEARP with its continuing to stay in business. Many retailers hired additional staff in response to the increased store traffic and demand SEEARP generated. Not surprisingly, retailers that made a significant effort to promote the program sold more eligible appliances than those that did not.

The wide variation in SEEARP programs presented challenges for national or regional retailers, as they had to create different promotional materials for each state's program. Retailers commented that regional or national consistency would make future rebate programs easier to support. When states in the same region launched their programs around the same time, some retailers did not have inventory sufficient to meet the demand.

Several retailers commented that inconsistent communication on program details and last-minute changes made it very difficult for them to support SEEARP programs. Retailers requested that SEOs give them more time for promotional activities for future programs. Smaller retailers would have benefited especially from consistent promotional materials designed and distributed by the SEO.

It is important to communicate with retailers during program design and launch to enable them to support the program. Reaching out to key participants early and keeping lines of communication open is critical for successful programs. As soon as you establish your program parameters, inform stakeholders about eligible products and consumers, rebate amounts, program start and end dates, whether products purchased online are eligible for rebates, and where to direct consumer complaints.

California worked with Sears to investigate more than 36,000 rebate recipients to determine whether they had returned their appliances without returning the rebate. Sears's random audit discovered that 4% of appliances sold had been returned for a full rebate. Other participating retailers in California did not have similar electronic records, making it very difficult to verify whether consumers had returned products.

Retailers also need ample time to meet participation requirements. Based on their experiences with SEEARP, retailers suggested that the following time considerations be given for future programs:

- A minimum of 90 days to review the outline of the program (not subject to change), formulate marketing strategies and tactics, and develop marketing and advertising materials
- At least 60 days to implement marketing strategies and train sales and delivery staff
- For programs with point-of-sales rebates, at least 30 days to implement operational requirements, such as setting up a terminal for rebate application submission and implementing procedures for submitting rebate repayment claims to the program administrator

Some other considerations that will improve retailers' ability to participate and support the program include the following:

- **Giving retailers a voice in the program** helps ensure their cooperation.
- **Designing and distributing promotional materials for retailers to use at their store locations** ensures that all the necessary information is available to consumers at the point of purchase.
- **Working with retailers to ensure they understand which products are eligible** and what information is required for the rebate application helps reduce the frequency of rebate rejections. Some big box retailers use SKU numbers instead of model numbers, which can result in rejected rebate applications for eligible products.
- **Coordinating closely with retailers about data submission requirements** helps prevent rebate rejections and minimize fraud.
- **Requiring retailers to provide haul-away services and encouraging them to waive any associated fees** helps ensure that old appliances are taken off the grid.
- **Requiring retailers to sign agreements that all products hauled away will be disposed of properly or recycled** helps ensure that retailers or other stakeholders responsible for haul-away services (recyclers, utilities, etc.) are not refurbishing and reselling products that are supposed to be removed from the grid.

4.2 Manufacturers

Some manufacturers found working with the 56 different program models during SEEARP extremely challenging. They suggested that having four or five regional models would provide greater consistency and allow for more effective coordination.

Manufacturers also encountered problems dealing with programs that based product eligibility on criteria using tier systems. Programs with tiers tended to shift demand for products off normal production schedules, which led to strains on the supply chain and inventory shortages. Manufacturers' slow response to spikes in demand for generally less popular models emphasized the need for early communication about the SEO's intent to cover certain products.

To increase the likelihood of successful partnerships with manufacturers, consider doing the following:

- **Coordinate with other states in the region,** especially if other states are launching programs around the same time as yours. Manufacturers will be able to meet increased demand more effectively if neighboring states offer rebates on similar products.
- **Model the program on other successful rebate programs in the region,** covering similar products or using similar program elements.
- **Coordinate with manufacturers early,** which will give them enough time to be effective program partners. The more time manufacturers have to prepare for potential demand spikes, the better able they will be to meet demand.

4.3 Utilities

Some states collaborated with utilities to complement program offerings and/or to prevent conflict among programs.

A few states incorporated program elements that were difficult to manage. One state encountered problems with layering rebate amounts over utility rebates for different products. The differences between the SEEARP and utility programs and the multiple applications confused consumers. Another state reported that working with utilities decreased the size of the rebates because the utilities influenced the state to consider program cost-effectiveness, which was not a requirement for SEEARP. A third state found that signing its own rebate processing agreement would have been less expensive than joining an existing utility rebate processing agreement.

Working with utilities can lead to very successful rebate programs; doing the following can help ensure the success of your program:

- **Enter into a separate contract with a rebate processor** instead of joining an established agreement between a utility and a rebate processor. Using the same rebate processor as the utility is fine—and may, in fact, be more efficient—but you can often reduce administrative costs by entering into a separate agreement.
- **Use a single application**. One SEO suggested using a unified application and making it available on the state program website and the utility websites.
- **Work with only a few utilities** (three or fewer) to avoid the complications that can arise from differing regulatory requirements. Working with fewer utilities also makes it easier to coordinate and manage the program.

Virginia found it challenging to engage with utilities that were relatively new to efficiency programs. The legislation allowing electric utilities to recover costs from efforts to improve energy efficiency was relatively new when Virginia began planning its SEEARP program. Electric utilities wanted to participate, but the regulatory oversight and approval process was too slow for them to commit in time to plan the statewide program.

The Energy Division of the Connecticut Office of Policy and Management (OPM) partnered with three electric utilities—covering the entire state—in the planning and implementation of its program because of the utilities' experience with rebate programs. Each utility served as the go-to location for consumers in its service territory. Using their existing infrastructure and resources, the utilities oversaw application and rebate processing. Leveraging existing agreements with a rebate clearinghouse kept administration costs so low that OPM used only 19% of what they were permitted to spend from federal funds for administrative costs.

California ended its contract with its rebate processor after significant delays in issuing rebates to consumers. The rebate processor did not fulfill California's expectations, and when the rebate processor was unable to remedy the situation, California was forced to terminate the contract. The state then brought rebate administration in-house, hiring interns to keep administrative costs low and speed rebate application processing. California designed its own database to streamline the process and help identify cases of suspected fraud more easily.

Alabama, Iowa, Minnesota, and **Texas** experienced problems with their rebate processors' reservation websites crashing. For example, though Iowa's rebate processor had experience administering large-scale programs, the high initial demand and perceived scarcity of funding led to more traffic than the website could handle. Once the website crashed, consumers flooded the phone system as well, causing the program to shut down after only six hours, which led to consumer frustration across the state.

Florida encountered problems because it provided rebates in the form of pre-paid debit cards. The high value of the cards prompted the issuer to require signed delivery receipts. Nobody was at the point of delivery to sign for them. This was a particular challenge for seasonal residents.

4.4 Rebate Processors

During SEEARP, states had the option of administering rebates within the SEO or contracting that role to a rebate processor. Most SEOs opted to hire rebate processors to handle the work. Nearly all SEOs (42 of 56) hired private implementation contractors to manage all or parts of their SEEARP programs. Most states that worked with rebate processors had positive experiences.

Some states had problems with rebate processors that lacked experience dealing with such large programs. Website crashes and overwhelmed phone lines damaged public perception of the program even after the issues were remedied. A few states were plagued by rebate processors' delays in issuing rebates; after repeated attempts to remedy the problems with its processor, one SEO ended its contract and brought rebate administration in-house.

States had other issues with rebate processors. One state noted that consumers were less forgiving of delays in receiving rebates because SEEARP was a government program, and another encountered additional scrutiny of its program when it was discovered that the SEO had selected a rebate processor that employed overseas labor. Because SEEARP was supposed to stimulate the U.S. economy, many state residents and legislators were unhappy with the rebate processor using overseas labor.

Working with rebate processors typically reduces administrative costs. Rebate processors can be a valuable resource during program design and implementation. To ensure a beneficial partnership with rebate processors, consider the following guidelines:

- **Use a rebate processor with experience working with SEOs.** A rebate processor who understands SEOs can streamline contracting, program design, and implementation. Consult with the processor on key decisions.
- **Use a rebate processor with experience processing residential rebates.** Corporate-only rebate processors may be prepared for the extra challenges of a residential rebate program.
- **If U.S. labor is required or preferred, make sure rebate processors do not use overseas labor.** One SEO received complaints from state officials and consumers about its relationship with a rebate processor that used an offshore call center. Use a contractor with a U.S.-based labor force, especially if you are running a stimulus program.
- **Define performance expectations in advance.** This can include turn-around times, communication protocols, and reporting frequency.
- **Negotiate contracts based on a flat fee instead of an hourly rate.** Flat-fee contracts are typically less expensive in the long run than those based on an hourly rate. Unexpected delays, consumer complaints, problems with rebates, and cases of possible fraud take time to resolve, which can increase costs if you pay the rebate processor by the hour.
- **Determine rebate payment methods**. The two most common payment methods were checks and prepaid debit/credit cards.
- **Prepare for a high volume of calls, and ensure that communication systems operate separately,** which will reduce the likelihood of different systems crashing at the same time.
- **Open early.** Have the processor open the customer service phone lines at least two weeks before the program launch—earlier if possible.
- **Establish a waiting list.** Ask the contractor/processor to set up a waiting list once all initial rebates have been claimed.
- **Do not make final payment to your rebate processor until you have received all the program data.** Once you have made final payment, it may be difficult to get data from the rebate processor.

California's SEEARP program was very successful, partly because the CEC allowed enough time to develop and implement elements of its program well in advance of its launch. The CEC timeline included five months between rebate program adoption and launch. In that time, the CEC held an informational web presentation with recyclers, retailers, and non-retailers to form partnerships and issued a media advisory to the press, announcing the program. The CEC program website was up a month before launch. However, approval of the rebate processor's contract occurred only a day before launch. The CEC subsequently encountered problems with its rebate processor, eventually terminating its contract. If the CEC had given itself more time to review contractor proposals or develop tools to enable processing in-house, such as the database CEC staff constructed after the program had commenced, difficulties due to rebate processor errors might have been avoided.

Florida's SEO commented that for future rebate programs, it would identify segments of the economy that would most benefit from the program and invite those stakeholders to participate in the planning process as soon as the program goals were established.

SECTION 5: PROGRAM TIMELINE

States' initial SEEARP applications were due to DOE in August 2009, and program plans were due in October. If DOE approved the program plans, states received funding in November 2009 and had until February 2012 to complete their programs. DOE did not specify how quickly states had to expend funding but suggested that states consider how implementation speed, administrative costs, economic stimulus, consumer financial benefit, and fraud prevention would affect operation timeframes.

States that gave themselves enough time to develop all their program elements, engage stakeholders, and develop and execute communication plans had the most successful SEEARP programs. Some SEOs without previous experience drafting requests for proposals (RFPs) had to delay the launch of their programs, as it took them longer to draft the RFPs for program implementation, review proposals, and approve contracts. States that engaged stakeholders early in the process were more likely to keep to their schedules.

Build your program's timeline thoughtfully. A successful rebate program has many elements, and you need to allow ample time to develop and implement each. Be sure your timeline includes the following activities:

- **Goal setting.** The most important step is determining program goals. All other decisions about the program should be made to support those goals.
- **Program planning.** Based on your program goals, determine which products to cover, product criteria, participant eligibility, rebate levels, and other aspects of the program.
- **Rebate process planning.** Establish the application submission and approval process and determine whether your office has the capacity to review applications. If you do not have the capacity or determine that it is more effective to hire a rebate processor, you will need to allow time to draft and issue RFPs review proposals from processors, and negotiate the contract. If your office does not have much experience with drafting and issuing RFPs, allow extra time for this process.
- **Stakeholder outreach.** As soon as you know what products will be covered during the program, reach out to retailers, manufacturers, distributors, and installation contractors. Retailers need time to order stock, train employees, and develop advertising materials. Manufacturers and distributors may need to alter their distribution models to prepare for increased demand for the products covered by your program. Contractors can develop or modify consumer materials and adjust product offerings. Stakeholders can also make recommendations about the program and provide support throughout the planning and implementation process.
- **Finalizing contracts.** Participation agreements are a good way to ensure that active stakeholders understand what is expected of them during the program. Depending on the program requirements, you may need to negotiate and sign contracts with retailers, utilities, contractors, and/or recyclers.
- **Consumer outreach.** Consumers will have questions about the program, and the easiest way to address those questions is through your program website. Designing the website carefully and launching it well in advance of the program start will familiarize consumers with your program and give you a head start on rectifying confusing aspects of your program. Be sure your marketing materials refer consumers to the website. (Please see Section 6: Communications and Outreach for more information.)
- **Construct a database of eligible products.** This will be your main tool for addressing rebate application rejections, and it will need to be tested and ready when your program begins.

Hawaii ran a program that offered $250 rebates on ENERGY STAR refrigerators. The rebate was large enough to generate significant excitement for the program, and it exhausted all program funds in two days.

5.1 Program Pace

Some rebate programs expend their funding quickly, while others distribute rebates at a slower pace. The size of the rebate relative to the purchase price of covered products is a major factor in the pace of the program. Higher rebates typically spur more consumer interest, and programs tend to spend their rebate funding quickly. Lower rebates, on the other hand, typically have modest effects on demand, and such programs tend to spend their rebate funding more slowly. Because SEEARP was a stimulus program, the eligibility periods for consumers to purchase appliances were relatively short. Programs that offered large rebates on lower-cost appliances typically expended funding the fastest.

Programs focused on HVAC equipment typically expend funds slowly, even with large rebates. Because HVAC equipment is expensive, consumers are less likely to replace home heating and cooling systems that still function properly, and consumers making purchases need time to hire installers.

The length of the program and the desired pace at which rebates will be issued should be determined with program goals in mind. For example, a program designed to assist with disaster recovery should be designed to help consumers replace their damaged appliances quickly. A program designed for energy savings, on the other hand, may not need to move funds as rapidly.

Unless circumstances require a rapid program, a slower-paced program offers two advantages: (1) you will have more time to adapt the product mix and promotion strategies based on consumer and retailer feedback; (2) these programs carry less risk of oversubscription, less likelihood of inventory shortages, and a greater chance of using all rebate funding.

Consider the following notes about program timing and how it relates to program goals:

- **Short-term programs work best for stimulus and disaster recovery.** To induce consumers to replace products that still work, rebates must be relatively high. The higher rebates boost demand quickly, which means program funding is used quickly. Note that in a short stimulus program, consumers who do not act quickly enough to get a rebate may feel frustrated, which could create negative perceptions of the program and its sponsors. For disaster relief programs, consumers need to replace damaged and destroyed appliances quickly.
- **Long-term programs work best for savings programs (e.g., energy, water, greenhouse gas emission reduction), long-term job growth, and assistance to low-income residents.** Long-term appliance rebate programs provide moderate employment benefits, with jobs coming through increased marketing, training, and sales activities, as well as direct employment of program administrators and implementation contractors. HVAC equipment, which has the highest per-unit energy savings, is especially suited to long-term programs because consumers need to hire contractors and installation takes time. Low-income families can benefit from the installation of new heating and cooling systems, which are likely too expensive for family members to purchase without a rebate.

Some additional benefits of long-term rebate programs include the following:

- **More time for consumers to make purchasing decisions.** With more expensive products, especially HVAC equipment, consumers are more likely to participate if they have time to plan purchases. For such products, consider making the program eligibility window long but limiting the amount of time consumers have to submit the application after purchase. This will assure customers that they will receive a rebate while reducing the number of eligible not-yet-submitted applications.
- **Broader market outreach.** The more time you have to advertise the program, the more likely consumers are to hear about it and understand the program requirements. This also gives retailers time to employ a variety of advertising techniques.
- **Ability to capture seasonal purchases.** Seasonal products may not have enough demand if your program window does not coincide with the peak season.

To help distribute funds from unclaimed rebates, **Ohio** partnered with the Office of Community Services and the Home Weatherization Assistance Program to help low-income residents purchase home heating equipment.

Iowa designed and implemented three program phases when initial problems with reservations in the first phase and unexpectedly low participation in the second phase resulted in substantial rebate funds remaining unclaimed.

5.2 Program Wrap-up

5.2.1 Final Accounting and Reporting

Under SEEARP, each state was required to submit quarterly progress reports, a final report, and a final budget. States also had to conduct pre-closeout accounting.

As you close your program, consider developing a final report. Ideally, this report should mirror any periodic reporting you completed during the program and should include information that program evaluators and future program planners will need. DOE required the following information under SEEARP:

- Program narrative: A description of the program, with summaries of the program timeline, requirements, successes, challenges, subcontracts, results, and any other information not captured by other reporting
- Rebate summary: Data on all rebates redeemed under the program
- Accounting summary: Information on program spending

While reports as detailed as those required for SEEARP may not be necessary for your program, they may help you justify the merits of the program to consumers or stakeholders. These reports can assist you or outside parties determine whether the program met the spending thresholds and milestones set in the program planning stage.

5.2.2 Relaunching

During SEEARP, DOE recommended that program administrators relaunch their programs if more than 20% of the initial funding remained unallocated. States that used reservation systems often had unused funds at the end of their initial program timeframes. To exhaust the remaining funds, these states implemented additional program phases.

Some states that relaunched their programs chose to target specific consumer groups, typically low-income residents and those affected by natural disasters.

Unless it is part of your planned program cycle, avoid frequent closing and relaunching of your program. Closing or launching a program takes a substantial administrative effort, and you will need to repeat all of the steps involved. Following program closure, retailers, manufacturers, and consumers will return to normal market behavior. Consider running the program in phases or extending program deadlines rather than closing and relaunching.

If you do need to relaunch your program, you will need to do the following:

- **Inform all stakeholders of your plan to relaunch the program.** Treat the second phase of the program like the first phase and give participants enough time to prepare.
- **Renegotiate the rebate processor's contract.** Depending on how the initial contract was structured, you may need to sign a new agreement or extend the old one.
- **Redesign the new program.** As with the initial program launch, solicit stakeholder input. You may choose to cover different products or target different consumer groups. For example, South Carolina supported low-income households in the second phase of its SEEARP program by working with Habitat for Humanity.
- **Send the new program requirements to stakeholders at least 90 days before the re-launch.** Retailers may need to change marketing campaigns, retrain sales staff, and acquire additional inventory, and manufacturers may have to prepare and ship additional stock.
- **Design new participation agreements.** Even if stakeholder participation will remain unchanged for the second program phase, confirm participation expectations again.
- **Update applications.** Make any needed changes to the applications, including deadlines, eligibility requirements, and additional required documentation.

During its SEEARP program, **Utah** offered rebates on clothes washers, room air conditioners, and heating equipment. Utah had a very successful rebate program, but it encountered a backlog of applications toward the end of the program and received many rebate applications after the program ended. Utah maintains that because SEEARP was a short-term program, it was hard to predict how consumers would respond to incentives outside the normal purchase cycle for heating and cooling equipment.

5.3 Program Timing

Program timing is important. While appliance programs can be effective year-round, heating and cooling products generally have seasonal sales trends and rebate programs are likely to be much more popular in the peak seasons. Some states were more attuned then others to seasonal sales patterns in designing their SEEARP programs. Consider the following strategies when determining when to launch your program:

- **Offering rebates in season (summer for cooling products, winter for heating products) will reach more consumers and align with retailer and manufacturer planning,** as demand for products is higher.
- **Offering rebates year-round can help reach consumers making planned replacements.** These purchases can occur in any season, and rebates can encourage these consumers to upgrade to higher-efficiency equipment.

SAMPLE REBATE PROGRAM PLANNING TIMELINE

3–6 MONTHS BEFORE PROGRAM LAUNCH:

- Set program goals
- Determine program guidelines
- Select product categories and criteria levels
- Determine rebate levels and rebate type
  - Determine consumer eligibility requirements
  - Set application process
  - Set data and reporting requirements
- Determine program timeline
- Coordinate with key stakeholders
  - Retailers
  - Manufacturers
  - Utilities
  - Recyclers (if applicable)
  - Other stakeholders
- Begin developing materials
  - Website
  - Program brochures
  - Stakeholder materials
- Vet rebate processing options

1–3 MONTHS BEFORE PROGRAM LAUNCH:

- Check in with key stakeholders to ensure they are ready for program launch
  - Retailers
  - Manufacturers
  - Utilities
  - Recyclers (if applicable)
  - Other stakeholders

- Determine eligible products
- Finalize materials
  - Website
  - Program brochures
  - Stakeholder materials
- Begin consumer outreach
- Finalize contract with rebate processor (if applicable)

1–2 WEEKS BEFORE PROGRAM LAUNCH:

- Remind all stakeholders of launch
- Notify media of launch
- Push website live
- Open phone systems

DAY OF PROGRAM LAUNCH:

- Notify rebate processor to begin accepting applications
- Notify retailers and consumers of program launch

SECTION 6: COMMUNICATIONS AND OUTREACH

6.1 Communicating with Consumers and the Media

Getting information about your program out to consumers is vital for program success. Paid advertising is one valuable method of publicizing the program, but there are many ways to get the word out without paying for ad space or air time. Having active program partners and a good media plan can help you spread information about your program without reducing the funds available for rebates.

States that relied on stakeholders to promote their programs had the most successful marketing campaigns. Not having to use their administrative funds on advertising also allowed those states to maximize the rebate dollars available to consumers. Retailers, utilities, and manufacturers have extensive experience educating consumers, and during SEEARP, they generally did so more effectively than the SEOs could have done by themselves.

States encountered the most difficulty working with stakeholders to advertise their programs when they made last-minute changes to important program details, such as eligibility requirements or product criteria. When stakeholders did not have enough lead time, many were not able to update advertising materials or have applications available for the program launch.

Take advantage of no-cost opportunities to promote your program through the media. Have a plan to relay information to television, radio, print, and online media quickly and effectively. Develop the program's messaging and be sure the website reinforces that messaging. Consider the following when communicating about the program to consumers and the media:

- **Coordinate with state, region, retailer, or utility communications staff** to ensure that the press picks up on the program.
- **Be available and responsive. If a reporter with a tight deadline contacts you, try to be helpful.** A reporter might ask you for vendor or consumer contact information, an organization representative to talk on the record, or an angle for the story. Keep in mind that you are the expert on the program.
- **Update your website and materials.** Your website is likely the first place a reporter will look for information. Be sure it is current, reflects any program changes, and includes information about eligibility requirements and how to apply for rebates. (Please see the following section for more suggestions about your program website.)
- **Encourage in-store promotional materials.** If you are working with retailers to promote the program, they will likely develop their own in-store marketing. Help the retailers help you by providing up-to-date information. Effective promotional materials should educate consumers and minimize confusion.

California did not budget funds for advertising, but its program partners pledged more than $5.5 million for promoting the program. The program partners provided advertising, sales training, store merchandising, and cross-promotion of other appliance rebate programs. More than 164 articles in print, television, and online media raised awareness statewide. By using simple talking points, the CEC leveraged additional media to highlight the importance of completing and submitting rebate applications.

Florida never had to pay for advertising. Every public meeting the state held to design the rebate program was covered heavily by television, radio, and print media. Once the program was designed and approved, the governor's press office issued press releases, which prompted additional requests for interviews and information about the program. When the program launched, several elected officials held events at retail stores to further promote the program.

- **Issue press releases to update the media.** Press releases should include primary program goals, important dates and deadlines, eligible products and rebate amounts, eligible consumers, application process, and contact information, including the program's website. Supporting information—such as how the new rebates complement other rebates, tax credits, or energy support programs—can be included in a press release or via web links.
- **Highlight non-energy benefits from new appliances.** If the new, more efficient appliances are quieter than older models, advertise that fact. Advertised energy savings will not be enough incentive for some consumers, but improvements in comfort or reliability may be.
- **Hold a press conference the day before the program launch** to stir up excitement for the program. Be sure to invite representatives from television, print, and radio. Develop a few talking points about the program and have the information to support them.
- **Provide frequent updates about the status of the program.** Keep consumers, retailers, other stakeholders, and the media informed about program progress through press releases, website updates, newspaper articles, and television and radio pieces.
- **Provide the media with a story angle**, such as local information, details about how the program solves a state- or region-specific problem, or anecdotes about local consumers who have benefited from replacing appliances. Demonstrate how participation in the program will create jobs and save money, energy, or water.
- **Relate benefits from savings resulting from the program to everyday consumer expenses.** For example, during SEEARP, some consumers found it easier to relate to the explanation that over the course of five years, the savings would be equivalent to the cost of 96 12-packs of soft drinks, an ENERGY STAR qualified computer, or a 32″ ENERGY STAR qualified television.

6.2 Website Design

A website is one of the best ways to keep stakeholders informed about program details, progress, and changes. During SEEARP, states with websites that provided simple and clear instructions on qualified products, eligibility requirements, the application process, and necessary documentation received the fewest consumer complaints. (Note, though, that some states reported that even when information was clearly listed on the homepage of the website, some consumers still called to complain that they could not find the information they sought.)

Almost all state websites included a funds tracker—updated with varying degrees of frequency—that indicated to consumers the amount of funding left. In most cases, the funds trackers reduced instances of oversubscription, but there were occasions when consumers purchased products after funding had already been exhausted because the funds tracker led them to believe they would receive rebates. Many states attempted to mitigate disappointment in case of oversubscription by making it clear on their websites that rebates were subject to funding availability, were not guaranteed, and would be issued on a first-come, first-served basis.

Many utilities that worked with states during SEEARP provided information to consumers and posted rebate applications on their websites. Some states posted links from the program website to utility websites so that consumers could find and complete utility rebate forms.

Some states found it beneficial to post frequently asked questions (FAQs) and answers on their websites. As new questions arose, SEOs added them to the FAQ page. The FAQ page acted as a primary resource for consumers and reduced call center volumes.

Residents of **Montana** and **Virginia** were able to fill out applications online, through the project website. The automated application process let consumers know, almost instantaneously, whether their applications had been approved. Allowing consumers to fill out necessary information online, with prompts to notify consumers if parts of the application were filled out incorrectly or missing, reduced the number of applications submitted with errors.

California designed a very effective website that provided information quickly and succinctly to many target audiences. It was the primary method for providing information to consumers and the media, including program updates, e-blasts, and rebate tools. California's website also included an option for consumers to see how SEEARP rebates complemented other programs in the state so that participants could determine the maximum incentives they could receive from participating.

Delaware's website provided "fun facts," that explained potential statewide energy savings based on participation rate.

Wisconsin's website clearly displayed eligibility requirements, including the notification that seasonal homeowners were eligible to participate.

It is important to test your website well in advance of the program launch to ensure security and reliability. Be sure to have enough network support to handle a flood of traffic when the program is announced and during launch. Ensuring that your phone and website systems operate independently will reduce the likelihood of simultaneous crashes during high-volume periods. Some additional recommendations for website design and implementation include the following:

- **Launch the completed and tested website before the program is announced**, giving consumers a useful resource for answering their questions.
- **Include FAQ and answers and update the page frequently as new questions are received** to help consumers. FAQs can include how long it takes to issue rebates, whom consumers can contact with questions or complaints, and information about recycling and haul-away opportunities and requirements.
- **Display important deadlines, consumer eligibility requirements, and recycling and haul-away requirements on the website's homepage** to make it easy for consumers to locate this important information.
- **Provide links to utility websites** to help consumers learn about additional rebate opportunities and direct questions about the program to utilities if they are responsible for administering the program.
- **Provide a real-time funds tracker that counts down remaining funds** to inform consumers about remaining rebate opportunities and encourage some consumers to participate when remaining funding is low.
- **Post a downloadable application** to enable consumers to familiarize themselves with program requirements and the necessary documentation before they make purchasing decisions.
- **Include reasons that consumers should recycle appliances, specifying whether bonuses are available for recycling the replaced products** to increase the likelihood that consumers will recycle their old appliances. Provide a link to www.energystar.gov/recycle, which focuses on the importance of recycling replaced refrigerators, freezers, and clothes washers.

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