

**PROCESS EVALUATION**

**Energy \$mart<sup>SM</sup> Products Upstream HVAC Program**

Final Report

**The New York State  
Energy Research and Development Authority**

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Project Number 9835

November 2011



## NOTICE

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## **ABSTRACT AND KEY WORDS**

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This report presents the results of an evaluation of NYSERDA's Upstream HVAC Program. Upstream HVAC program activities are intended to provide participating upstream market actors with tools, education, and resources to help them promote their most energy-efficient products. Results of the evaluation suggest the program could engender greater participation by clearly defining short- and long-term market objectives, educating participants about what is deemed an eligible product and how to take advantage of available program services, and better aligning program goals with potential participants' marketing strategies.

## **ACKNOWLEDGEMENTS**

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The team wishes to acknowledge the contributions of Patricia Gonzales of NYSERDA for her assistance in providing advice and data throughout this evaluation. The team also would like to thank the contacts from NYSERDA, Lockheed Martin, and NYSERDA's Upstream HVAC program partners – manufacturers, distributors, and manufacturer representatives –who spoke with us in-depth about their experience with the program and with working to promote energy efficiency in the HVAC market.

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## EXECUTIVE SUMMARY

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The **New York Energy \$mart<sup>SM</sup>** programs are funded by an electric distribution System Benefits Charge (SBC) paid by customers of Central Hudson Gas and Electric Corporation; Consolidated Edison Company of New York, Inc.; New York State Electric and Gas Corporation; National Grid; Orange and Rockland Utilities; and Rochester Gas and Electric Corporation. Programs are available to all electric distribution customers that pay into the SBC. The New York State Energy Research and Development Authority (NYSERDA), a public benefit corporation established in 1975, administers the SBC funds.

The New York Energy \$mart Products program began as a residential program. However, in operating the Heating Ventilating and Air Conditioning (HVAC) component of the program, discussions with market actors revealed the need for a more integrated program – one that operates in both residential *and* commercial sectors. Currently, NYSERDA operates a suite of HVAC programs aimed at market actors at various points on the supply chain, including a residential-only “midstream” Products program (retail level), a residential-only “downstream” Home Performance with ENERGY STAR® program (customer level), a commercial-only “midstream” Partners program (maintenance contractors), and a residential *and* commercial “upstream” Partners program (manufacturers, manufacturer representatives, and distributors). The Upstream HVAC Partners Program – the focus of this evaluation – works with manufacturers, distributors, and manufacturer representatives to grow the market for energy efficient HVAC equipment. The Business Partners Programs consists of three technologies: HVAC, Motors, and Lighting, with the midstream HVAC program providing training and support to commercial HVAC contractors to help them provide quality preventive maintenance to optimize energy efficiency.

In 2003, NYSERDA expanded its evaluation of the **New York Energy \$mart<sup>SM</sup>** Program, launching a large-scale assessment using specialized contractor teams to provide evaluation services. Research Into Action, Inc. has conducted process evaluations of the **New York Energy \$mart<sup>SM</sup>** programs since May 2003.

In 2011, Research Into Action conducted this process evaluation of the Upstream HVAC Partners Program (Upstream HVAC). The program is designed as a market transformation effort intended to create a lasting increase in both the supply of, and demand for, energy-efficient HVAC products in New York State. Lockheed Martin is the program implementation contractor. The firm delivers the program via field representatives who conduct outreach to the three targeted upstream market actors (also called program partners): manufacturers, manufacturer representatives, and distributors that promote and sell ENERGY STAR® and other energy-efficient HVAC products. Lockheed Martin began to launch the program in 2009, and officially rolled it out in 2010. It has been actively enrolling program partners ever since.

The Upstream HVAC program is aimed at market transformation, in contrast to typical utility programs aimed primarily at resource acquisition. During in-depth interviews, program managers and implementers described the overall program goal as “growing the market” for energy efficient HVAC products, which includes increasing the availability of efficient models, the market share of efficient units sold, and consumer demand for efficient HVAC products. In addition, the program seeks to expand participating partners’ business models and profits through a focus on energy efficient equipment and encourages participation in other NYSERDA programs. To achieve these objectives, the Upstream HVAC program provides participating partners with resources and support designed to help them increase their business’ focus on energy efficient products. These resources include co-op advertising funds, training, resources for industry trade events, and product “buy-down” funds. NYSERDA maintains an Eligible Products Table that identifies the HVAC products that are approved for promotion with program resources. Potential

program partners must manufacture or distribute at least one product listed in the Eligible Products Table. Program partners also agree to provide monthly shipping and sales data to NYSERDA<sup>1</sup>.

The goal of this report is to provide context for the Upstream HVAC Program and to present the findings from the process evaluation of the program's first complete year in operation. Between April and June 2011, Research Into Action interviewed two NYSERDA program staff, two Lockheed Martin implementation staff, 16 program participants, and four nonparticipants. The evaluation team also reviewed secondary literature to understand upstream HVAC programs offered by other organizations.

In the first year of the program, 33 discrete partnerships were formed, exceeding its initial goal of enrolling 20 partners in the first year. By 18 months, 39 discrete program partnerships were formed. The level to which program partners took advantage of the activities and resources NYSERDA offered ranged from simply enrolling in the program but not conducting an activity, to completing six different activities through the program. According to the program database maintained by Lockheed Martin, about two-thirds of Upstream HVAC Program partners enrolled but did not participate in a program-sponsored activity.

Through the interviews and surveys, the evaluation team found that respondents who had participated in at least one program activity were generally satisfied with the program. Respondents viewed several program aspects very favorably. First, program partners perceived sharing a common purpose with NYSERDA – to increase market share of energy-efficient equipment (i.e. high-end, more profitable models) sold, which appears to have been an asset of the program. Respondents also reported interest in and effective use of cooperative marketing funds. On the other hand, more than three quarters of participants did not seem to recognize the potential value of training offered through the program.

Contacts also suggested improvements to increase the program's impacts. In particular, they highlighted the following: expanding the Eligible Products Table, helping them use program funds more effectively (particularly through provision of examples of other firms' experiences with the program), increasing public awareness of the benefits of energy efficiency, and expanding the program's support for the installation of "better" and "best" equipment that could drive demand for energy-efficient products.

Based on its research about the Upstream HVAC Program, the evaluation team has the following conclusions and recommended actions to address each of them.

**Conclusion: Program goals are not clearly defined.** Although program and implementation staff were consistent in describing the program as a market transformation effort with the overall goal "to build the market" for energy efficient HVAC equipment, specificity around desired market changes is not well documented or understood. For example, program materials do not describe the metrics that would be used to answer the question: When the HVAC market is transformed, how will you know?

**Recommendation: Develop a program logic model that illustrates intended program flow from program activities to short and long-term objectives to overall market transformation goal(s).** An effective program logic model should create a visual map leading from activity to short/long-term outcome to overall market transformation goal. One example might be:

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<sup>1</sup> Specific program requirements vary by partner type.

Cooperative advertising → increased public awareness of energy efficiency → higher consumer demand for energy efficient<sup>2</sup> products → increased manufacturer supply of energy efficient product options → increased market share of energy efficient HVAC products.

**Conclusion: The Eligible Products Table is an evolving document. Some program partners were confused about how the approved products were selected, and how a new product can be added to the table.** This appears to make it difficult for full partner engagement, as some do not understand how and why certain products become eligible.

**Recommendation: Clearly define the selection criteria for eligible products.** Explain the Eligible Products Table to existing and prospective program partners and the selection criteria for new products. These criteria ideally would flow from a well-developed program logic model.

**Conclusion: NYSERDA should better align the market changes it seeks with the marketing strategies currently used by market actors.** For example, many upstream market actors reported providing “good, better, and best” options to potential customers, with “best” equipment being both most profitable for the company and most energy-efficient for the end-user.

**Recommendation: Consider this industry insight-driven sales mechanism when working to clarify the program’s specific market transformation goals.** For example, should the desired market effect be to grow the market for “best” equipment, to minimize the market for “good” equipment, or to improve the efficiency of available “better” models (since sales of these mid-range models seem to represent a significant portion of the market)?

**Conclusion: Participants did not seem to be aware of the full range of opportunities available through the Upstream HVAC Program to help them promote their most energy-efficient products, i.e., those products appearing on the Eligible Products list maintained by the program.** About two-thirds of Upstream HVAC partners did not participate in any program-sponsored activity.

**Recommendation: Investigate opportunities for improved partner outreach to raise awareness about the variety of activities, assistance, and training opportunities available through the program.** Provide “real-world” examples of the types of promotions and activities other program partners have done. NYSERDA might consider developing a partner forum or newsletter for sharing program experiences among participants.

**Conclusion: Barriers to energy efficiency exist at all stages of the HVAC supply chain.** Although NYSERDA’s midstream (Business Partners) HVAC program is quite new, NYSERDA has a valuable opportunity to carefully and deliberately coordinate the Upstream HVAC with other NYSERDA programs.

**Recommendation: The Upstream HVAC Program and the Business Partners Program should consider designing their program offerings in concert.** A more coordinated effort might improve information flow throughout the HVAC supply chain and improve overall industry awareness and knowledge of energy-efficient HVAC equipment.

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<sup>2</sup> Program materials, including its logic model, should clearly define the criteria for a product to be considered “energy efficient.”



## **SECTION 1: INTRODUCTION**

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The **New York Energy \$mart<sup>SM</sup>** programs are funded by an electric distribution System Benefits Charge (SBC) paid by customers of Central Hudson Gas and Electric Corporation (Central Hudson), Consolidated Edison Company of New York, Inc. (Con Edison), New York State Electric and Gas Corporation (NYSEG), National Grid, Orange and Rockland Utilities (Orange and Rockland), and Rochester Gas and Electric Corporation (Rochester Gas and Electric). The programs are available to all electricity distribution customers that pay into the SBC. The New York State Energy Research and Development Authority (NYSERDA), a public benefit corporation established in 1975, began administering the SBC funds in 1998 through NYSEDA's **New York Energy \$mart<sup>SM</sup>** Program. The 2006-2011 **New York Energy \$mart<sup>SM</sup>** budget includes funding to create the Upstream Heating Ventilating and Air Conditioning (HVAC) Program.

### **1.1 PROGRAM DESCRIPTION**

The residential **New York Energy \$mart<sup>SM</sup>** Products Program covers a range of products, including appliances, lighting, heating and cooling Products, and Power Management. The commercial Business Partners Programs consist of a suite of programs targeting lighting, motors, and heating, ventilation, and air conditioning (HVAC). The focus of the 2011 evaluation for Energy \$mart<sup>SM</sup> Products is on the joint residential and commercial HVAC program targeting manufacturers, distributors and manufacturer representatives, referred to within NYSEDA as the Upstream HVAC Program.

The Upstream HVAC Program is designed to increase both the supply of, and demand for, energy-efficient HVAC products in New York State by forming partnerships with manufacturers, distributors, and manufacturer representatives that produce, promote, and sell ENERGY STAR® and other energy-efficient HVAC products. Lockheed Martin is the program implementation contractor. The firm delivers the program via field representatives who conduct outreach to the three targeted upstream market actors. Lockheed Martin launched the program in 2009. They emphasized planning and program development through activities such as focus groups and identification of potential program partners. In 2010, the Upstream HVAC Program officially rolled out with a focus on partner recruitment, promotion development, and partner training. Program participants that sign a partnership agreement with NYSEDA agree to manufacture and stock one or more qualified product line(s) and provide NYSEDA with monthly shipping and sales data. In return, program partners are eligible for co-op advertising funds, training, and other program resources designed to increase sales of ENERGY STAR and other energy-efficient HVAC products.

### **1.2 EVALUATION METHODOLOGY**

This evaluation relied on four data collection activities:

1. Secondary research consisting of a review of existing upstream HVAC programs in the United States to identify possible program best practices
2. In-depth interviews with program and implementation staff
3. In-depth interviews with participating manufacturers, distributors, and manufacturer representatives
4. Interviews with nonparticipant manufacturers and distributors

The following sections outline the methods used to conduct these activities.

### 1.2.1 Review Existing Upstream HVAC Programs

The evaluators reviewed reports and other documentation of existing upstream HVAC programs in other regions of the country to identify the challenges they faced and they addressed them, and successes they achieved. Sources included the American Council for an Energy-Efficient Economy's (ACEEE) Summer Study Proceedings, International Energy Program Evaluation Conference (IEPEC) proceedings, and Academic Search<sup>TM</sup> Premier. The review identified upstream HVAC programs offered in two regions of the United States.

### 1.2.2 In-Depth Interviews with Program and Implementation Staff

In April 2011, the evaluators interviewed two NYSERDA staff affiliated with the program and two implementation staff from Lockheed Martin. These interviews had two purposes: to understand how the program works and to learn which elements of the evaluation the program staff would find most valuable. The interview guides were constructed in consultation with NYSERDA evaluation staff. An evaluator used NVivo9 qualitative analysis software to analyze all responses.

### 1.2.3 Interviews with Participating Distributors, Manufacturer Representatives, and Manufacturers

In May and June 2011, the evaluation team interviewed participating distributors, manufacturer representatives, and manufacturers. These interviews were designed to provide insights into participants' motivations for participation and experiences with the program, and to gather partners' suggestions for program improvements. All interview guides were created in consultation with NYSERDA program and implementation staff.

NYSERDA staff provided the team with a list of 35 participants. Two of these participants had enrolled in the program within two months prior to the interview period. These participants were not interviewed because it was unlikely that they would be able to provide useful feedback given their brief experience with the program. As shown in Table 1-1, the evaluators completed interviews with 16 (approximately 50%) of the remaining 33 participants.

**Table 1-1: Disposition Summary**

Participant Type	Distributor	Manufacturer Representative	Manufacturer	Total
Completed	6	5	5	16
Refused	1	5	0	6
Contact attempted	5	0	0	5
Duplicate or out of business	3	0	0	3
Subsample quota filled	0	0	3	3
<b>TOTAL</b>	15	10	8	33

Participants were contacted by telephone, and all interviews were recorded and transcribed. Each interview lasted about 20 minutes. Evaluators used NVivo9 qualitative analysis software and Microsoft Excel to analyze all responses.

#### **1.2.4 Interviews with Nonparticipating Manufacturers and Distributors**

The evaluation team also conducted interviews with four nonparticipating prospective program partners who had declined to participate: two manufacturers and two distributors. The interviews focused on what improvements might make the program more attractive to them.

### **1.3 REPORT CONTENTS**

The goal of this report is to provide context for the Upstream HVAC Program and to present the findings from the evaluation of the program's first complete year in operation. Section 2 provides background about the program, including program goals, program design, initial roll-out, and the program's progress in the first two years. Section 3 presents findings related to the program participants' perspective on their experience with the Upstream HVAC Program, including recruitment and enrollment, use of program activities, perceived value of the program, and suggested program improvements. Section 4 presents the evaluation team's conclusions and recommendations based on the research findings.



## SECTION 2: THE PROGRAM

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The Upstream HVAC program is aimed at market transformation, in contrast to typical utility programs aimed primarily at resource acquisition. During in-depth interviews, program managers and implementers described the overall program goal as growing the market for energy efficient HVAC products, which includes increasing the availability of efficient models, the market share of efficient units sold, and consumer demand for efficient HVAC products. In addition, the program seeks to expand participating partners' business models and profits through a focus on energy efficient equipment and encourage participation in other NYSERDA programs. The program functions by forming partnerships and continuously engaging with upstream market actors, including: distributors, manufacturer representatives, and manufacturers that promote and sell ENERGY STAR and other energy-efficient HVAC products.

Upstream HVAC program activities are intended to provide participating upstream market actors with tools, education, and resources to help them promote their most energy-efficient products. Program participants sign a partnership agreement with NYSERDA in which they agree to manufacture and stock one or more qualified product and to provide NYSERDA with monthly reports of shipping and sales data. In return, program partners are eligible for co-op advertising funds, training, and other program resources designed to increase sales of ENERGY STAR and other energy-efficient HVAC products.

As part of initial program research, the evaluation team interviewed two NYSERDA Upstream HVAC Program staff members and two Lockheed Martin program implementation contractors (all four henceforth referred to as "program staff" or "staff"). Note that one of the Lockheed Martin staff members primarily focuses on managing the program database, and thus was not asked all interview questions. This section summarizes the findings from those interviews.

### 2.1 PROGRAM GOALS

During interviews, each of the three staff members who were familiar with the program theory discussed "market transformation" as a key tenet of NYSERDA's approach to energy efficiency. These three contacts were consistent in describing the key program goal as "building" or "growing the market" for energy-efficient HVAC products sold in New York State, with the intent to create "lasting change." This long-term, market transformation goal is distinct from HVAC programs offered by area utilities (and other HVAC products or whole-home programs offered by NYSERDA) which tend to focus on product incentives for end-users.

NYSERDA seeks to grow the energy efficient HVAC market by working with partners to increase the *supply* of these products, while also enabling and instructing partners to increase consumer awareness and *demand* for them. Through program activities and support, NYSERDA aims to help Upstream HVAC Program partners overcome key barriers – such as first cost– to increase sales of their efficient products.

It is important to note that although program staff agreed on the overarching program goal of "growing" and "transforming" the market for energy efficient HVAC products, specific market changes and outcomes were difficult to ascertain. Program documentation of desired short and long-term outcomes, as well as specific final market changes, was lacking: notably the program had not developed a logic model. As one program staff member said, program goals are "tough to pin down."

### 2.1.1 Program Design and Logic

NYSERDA offered its Upstream HVAC Program partners a range of services to help them increase the market for their most efficient HVAC products. These services are referred to as “program activities” and include cooperative marketing assistance (e.g., radio ads, website promotions, billboards), training, product buy-downs, and assistance with events, such as trade shows. Co-op advertising funds help partners pay for advertising campaigns intended to raise awareness of the benefits of energy-efficient heating and cooling systems, while “buy-down” funds are used to subsidize the sale of efficient units in order to decrease the first-cost barrier of upgrading to an efficient product.

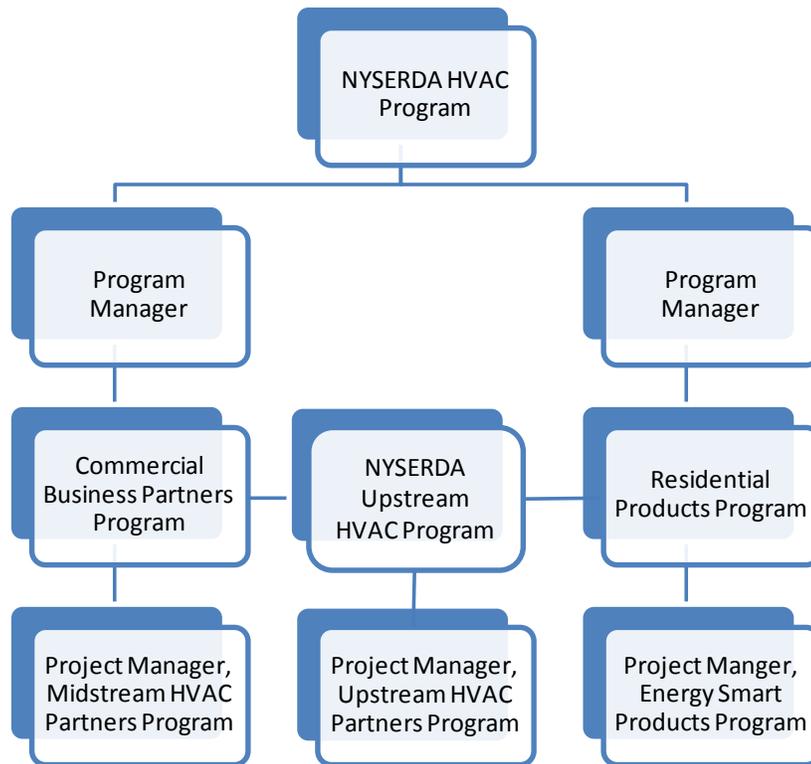
An important element of the program’s design is that partners must cost share any activity. With the exception of manufacturer’s cost share of 25% for print, radio, and television promotions, all other types of promotions require a 50% cost share. This requirement, while encouraging program partners to possess a vested interest in promoting energy efficiency, may limit some partners from participating, especially in light of current economic conditions.

As mentioned above, as of the writing of this report, there was no formal logic model for the Upstream HVAC Program. With a sense from some staff that the program’s goals are not clearly defined, a formal logic model would help to clarify the specific market changes the program seeks, and how to recognize the changes when they occur. A logic model could serve as a valuable map, illustrating how program activities are intended to lead to the program’s desired short- and long-term outcomes. In addition, a logic model can help staff identify key data to track and measure in order to determine the program’s market effect over time.

## 2.2 DELIVERY AND ADMINISTRATION

Lockheed Martin’s field representatives use a variety of methods to reach out to potential program partners, including “cold calling” and following up on leads from trade shows.

Since these market actors work in both the residential and commercial sectors, NYSERDA’s residential and commercial program staff members administer the program cooperatively. The project manager who oversees the Upstream HVAC Program reports to both the residential Products Program Manager and the commercial Business Partners Program Manager . Figure 1 shows a simple organizational chart showing NYSERDA’s Upstream HVAC program staff.

**Figure 1: NYSERDA HVAC Program Organizational Chart**

### 2.3 OTHERS' EXPERIENCE WITH UPSTREAM HVAC PROGRAMS

The evaluation team examined available literature on upstream HVAC efforts in other areas of the country, and was able to find examples of more traditional resource acquisition programs, but no market transformation efforts similar to NYSERDA's program. Thus, some of the lessons learned through these program efforts may be more applicable to NYSERDA than others.

Through web searches and reviews of ACEEE's Summer Study Proceedings, IEPEC Conference Proceedings, and Academic Search Premier, the team found two regions where upstream HVAC efforts were in place. In New England, the Northeast Energy Efficiency Partnerships (NEEP) encourages its members' program administrators to run Upstream HVAC programs, though it should be noted that NEEP itself does not run programs. In California and Nevada, a third party implementation firm, Energy Solutions, runs programs for four utilities. Through development and implementation of these programs, NEEP and Energy Solutions learned the following lessons.

1. **Be regionally consistent.** Upstream actors such as distributors, manufacturers, and manufacturer representatives work across program administrator territories. Minimizing the number of programs a participant has to work with makes it more likely they will engage with the program.
2. **Decrease the costs of energy-efficient equipment.** Distributors can affect the market best by using program incentives to lower the cost of efficient equipment for contractors and installers.
3. **Make program enrollment and participation simple.** NEEP and Energy Solutions both found that online applications facilitated enrollment and program participation, including participants' ability to track the progress of their applications.

4. **Upstream HVAC programs require time.** Conduct the program for at least three years. Participants need up to three years to understand and integrate the program into their operations.

The existing programs generated large savings with relatively minimal staff involvement. By providing rebates upstream, existing programs had influenced a greater portion of the market than traditional end-user programs had, reduced administrative costs, and accelerated the introduction and sale of efficient HVAC equipment.

However, the referenced programs were “standard” programs that aim to affect change by providing financial incentives. Thus, some of the lessons these programs have learned – such as decreasing the cost of energy-efficient equipment through upstream incentives – may be of limited use to NYSERDA’s market transformation program, which utilizes an array of market approaches, beyond product rebates, aimed at long term, sustainable market change.

## 2.4 PROGRAM ENROLLMENT AND ACTIVITY

In 2009, the program’s first year, Lockheed Martin focused on program planning and development. Lockheed Martin officially rolled out the program in 2010. During 2010, they focused on recruitment of program partners (HVAC distributors, manufacturers, and manufacturer representatives), promotion development, and partner training.

### 2.4.1 Enrollment

As shown in Table 2-1, 39 discrete program partners had enrolled in the Upstream HVAC Program between January 2010 and July 2011, the end of this evaluation’s data collection timeframe. The table also shows that by the end of 2010, Lockheed Martin had recruited 33 program partners – 13 more (or almost 60% more) than the 20 partners it had intended to secure in that year. Six additional partners enrolled in the program during the first seven months of 2011.

**Table 2-1: Enrollment Status by Year**

Year	Distributor	Manufacturer Representative	Manufacturer	Total
2010	15	10	8	33
2011	2	1	3	6
<b>Total</b>	<b>17</b>	<b>11</b>	<b>11</b>	<b>39</b>

During the evaluation period, there were 25 active partners in the program; 14 partners that had enrolled in 2010 chose not to re-enroll in 2011. Partners join the program for a calendar year, so a partner enrolling in October would be enrolling for only three months according to program records. All partners are invited to renew their partnerships at the beginning of a new calendar year.

### 2.4.2 Partner Activity

As displayed in Figure 2, Lockheed Martin’s program database showed that only six distributors, four manufacturer representatives, and three manufacturers—one-third of all past and present enrollees—had participated in at least one program activity.

**Figure 2: Program Activity and Inactivity by Organization Type (n=39)**

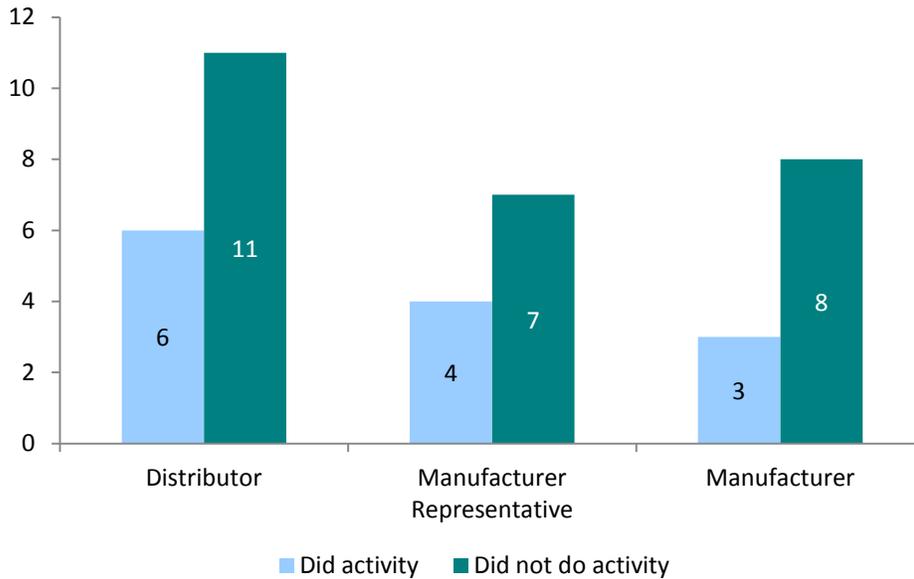


Figure 2 shows that there does not appear to be a significant difference in the proportion of program activity level across the partner group types. However, Figure 2 also shows that almost twice as many distributors, manufacturer representatives, and manufacturers did not engage in a program activity as those that did. In this report, program partners that had conducted at least one activity are referred to as “active” partners, while enrolled partners that had not participated in an activity are referred to as “inactive.” Program data suggest that active partners were more likely to remain enrolled in the program. As Figure 3 shows, the majority of active partners elected to re-enroll in the program, whereas most of the inactive partners did not.

**Figure 3: Re-Enrollment by Program Activity (n=30)**

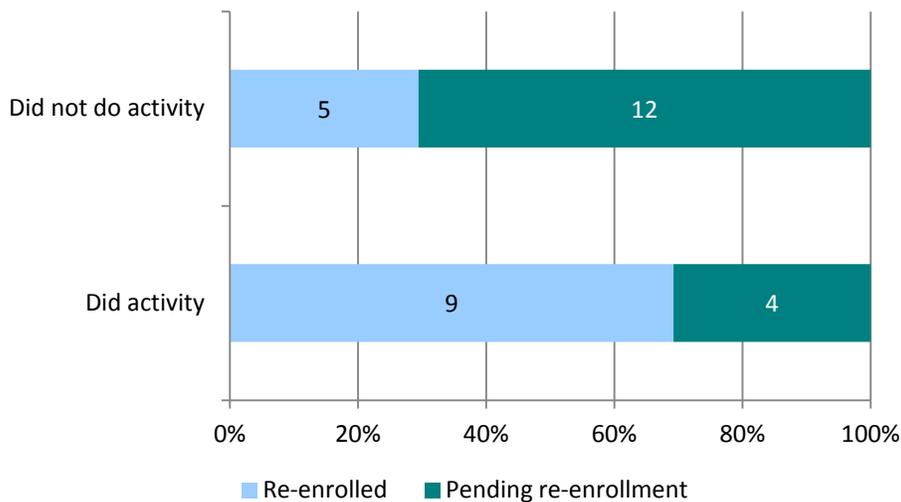


Table 2-2 breaks down the 24 discrete program activities that were completed by the 12 active program partners. Program data show that cooperative marketing assistance, such as radio and website advertisements, were the most common activities chosen. According to the data, the program had funded 17 different cooperative marketing activities since its inception. Buy-downs were a distant second; four such activities were listed. The data also show that partners chose just two training activities and only one event activity.

During interviews, inactive program partners mentioned a few reasons why they had not yet participated in any program activities. A few partners mentioned a simple lack of time, acknowledging that “we need to invest the time,” and “there’s only so much time in the day.” Other partners expressed a desire to learn from the examples of other partners. One partner said, “Examples of what other companies have done with the program could be helpful. This would help us come up with ideas that may work for our company.” Another partner had only recently opened a new office, and expected to take advantage of the program in the future.

It is important to note that, as stated above in Section 2.1.1, all partners must cost share any activity. This requirement, while important to the program’s logic of encouraging partners to have a vested interest in promoting energy efficiency, may limit some partners from participating, especially in light of current economic conditions.

Finally, almost all program partners talked about how fast and easy it was to sign up to become a program partner. However, doing an activity takes an investment of both time and money, and possibly some creativity as well. It seems that many program partners were attracted to the program’s potential benefits during enrollment, but later encountered some practical barriers that have impeded their ability to actually participate in program offerings.

**Table 2-2: Discrete Program Activities by Partner Type**

Activity Type	Distributor (n=6)	Manufacturer Representative (n=4)	Manufacturer (n=3)	Total (n=13)
Cooperative Marketing Assistance	12	4	1	17
Buy-downs	2	0	2	4
Training	1	0	1	2
Event	0	0	1	1
<b>Total</b>	<b>15</b>	<b>4</b>	<b>5</b>	<b>24</b>

**2.4.3 Cooperative Marketing**

Program staff members were all in agreement that co-op advertising is the most valued and widely used Upstream HVAC Program resource. Co-op advertising comprised over 70% of all first-year program activities, and partners commonly mentioned this program resource as a key reason for enrolling in the program.

**2.4.4 Buy-Downs**

NYSERDA’s selective application of buy-down incentives, particularly on the commercial side of the program, likely affects the relatively low usage of this program resource. Several partners described the

concept of buy-downs, rebates, or “anything that lowers the cost for the end user” as valuable or helpful services during interviews. However, the targeted use of buy-downs is consistent with the program’s approach to market transformation, which offers a range of holistic market approaches beyond product incentives.

#### **2.4.5 Training**

The program offers support for partners to host training events such as seminars or product-specific trainings intended to increase awareness of energy efficient products. Program-sponsored support for training events is designed to help partners educate their downstream actors (e.g. manufacturers educate their distributors; distributors educate installers, etc.), *not* for NYSERDA to provide training to partners.

Of the two training events that have occurred in the program, one was a notable success: A full-day training course on ductless mini-splits, hosted by a manufacturer representative, in which NYSERDA funded the room and trainer. In this case, a program field representative reached out to a partner, learned of their intent to hold a training event, and worked with the partner to add information on energy efficiency and ENERGY STAR to the training materials. The training was reportedly well attended and well received. Implementation staff considered it a good example of the types of promotions the program aims to expand; in fact they planned to use this event as an example to program partners of the types of support available through the program.

#### **2.4.6 Events**

As with training, implementation staff indicated a desire to provide more support in the future to partners with special promotional events or trade shows. So far, only two have partners completed a NYSERDA-sponsored event. One distributor reported that NYSERDA had attended one of his company’s events, and one manufacturer representative reported using program funds to promote energy-efficient products at a trade show.

### **2.5 SUMMARY**

The Upstream HVAC Program rolled out at the beginning of 2010 and has been actively engaging partners since. In the first year and one-half of the program, over 39 discrete program partnerships were formed, exceeding the program’s initial goal of enrolling 20 partners in the first year. The level to which program partners took advantage of the activities and resources NYSERDA offered ranged from enrolling in the program but not conducting an activity, to completing six different program activities. According to Lockheed Martin’s program database, about two-thirds of Upstream HVAC Program partners did not participate in a program-sponsored activity. Of all program-sponsored activities, over 70% were cooperative marketing campaigns. Implementation staff is aware of the need to expand partner utilization of training and event support; they expressed a hope that the program’s early users of these services will serve as a model to other partners of the effective outcomes that are possible with these types of program resources. Since program partners also requested that NYSERDA share more stories of other partners’ successes, providing case studies and/or profiles of innovative events and promotions may be an effective way of motivating partners to take advantage of more of what the program has to offer.



## SECTION 3: PARTICIPANT EXPERIENCE

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### 3.1 BACKGROUND

The evaluation team interviewed 16 participants, or about two-thirds of the 25 participants enrolled in the program as of July 2011.

### 3.2 REASONS FOR PARTICIPATING

Respondents reported that their overall goal as a program participant was to increase sales of their energy-efficient equipment. This is consistent with NYSERDA's program goals.

Three key program features drew respondents to the program:

1. **Cooperative marketing assistance**, which provides partners the opportunity to market their products to a wider audience than normally possible with existing marketing budgets
2. **The positive reputation** that comes with being affiliated with NYSERDA
3. **Buy-down incentives**, which help partners overcome first-cost barriers to energy-efficient HVAC equipment

Few respondents reported interest or awareness in the other program elements, such as training.

The remainder of Section 3 provides additional information about respondents' experience with the program, including details about selected program activities, satisfaction with the program, perceived value of the program, and the barriers participants experienced in selling energy-efficient equipment.

### 3.3 DESCRIPTION OF PARTICIPANT RESPONDENTS

The evaluation team interviewed 16 participants: six distributors, five manufacturer representatives, and five manufacturers. As shown in Table 3-1, all participant respondents reported they served the commercial sector, almost all (14) served the residential sector, and nearly half of the respondents (7) indicated they worked in the industrial sector.

**Table 3-1: Sectors Served by Participant Respondents**

<b>Respondent Sectors Served</b>	<b>Distributor (n=6)</b>	<b>Manufacturer Representative (n=5)</b>	<b>Manufacturer (n=5)</b>	<b>Total</b>
Commercial	6	5	5	16
Residential	6	4	4	14
Industrial	3	2	2	7

As shown in Table 3-2, interview respondents were represented 56 locations throughout New York State, and employed over 4,000 people in the state.<sup>3</sup>

**Table 3-2: Respondents' Locations and Employees Represented<sup>4</sup>**

<b>Respondent Characteristics</b>	<b>Distributor (n=6)</b>	<b>Manufacturer Representative (n=5)</b>	<b>Manufacturer (n=5)</b>	<b>Total</b>
Serves Downstate	0	3	5	8
Serves Upstate	6	2	10	18
<b>Total Locations in NYS</b>	<b>34</b>	<b>5</b>	<b>3</b>	<b>42</b>
<b>Total NYS Employees</b>	<b>572</b>	<b>80</b>	<b>3,351</b>	<b>4,003</b>

### 3.4 PROGRAM PARTICIPATION

#### 3.4.1 Enrollment Process

Enrollment in the program appeared almost effortless to respondents. Typically, the enrollment process consisted of a brief conversation with the field representative, who in turn completed program paperwork on behalf of the participant. Respondents consistently described the enrollment process as “simple” and “easy.”

Respondents unanimously reported that program implementation staff were helpful and provided satisfactory service in assisting with enrollment. One manufacturer was particularly impressed when her field representative met with her in-person to explain the program, rather than merely discussing the details over the phone. In another example, one manufacturer representative appreciated that the implementer assisted with the required enrollment and re-enrollment paperwork.

#### 3.4.2 Program Issues Identified by Partners

While enrollment and re-enrollment processes were smooth for program partners, about one-third of interview respondents (5) reported problems with actual program participation.

Two distributors and one manufacturer representative found certain elements of participation to be “slow” and “bureaucratic.” For example, one distributor reported a long time lag in obtaining NYSERDA’s approval for proposed cooperative marketing materials. While generally satisfied with and appreciative of the program, this respondent thought the approval process was excessively slow. One manufacturer

<sup>3</sup> One manufacturer had a site in New York with approximately 3,000 employees. The other manufacturers had most of their employees in other states or countries.

<sup>4</sup> Respondents can serve more than one region in the state. For instance, all manufacturers serve the entire state. Some distributors serve only downstate. The evaluation team was unable to speak with any distributors from downstate areas despite contacting all participant distributors five times.

representative expressed a desire for the program to be “simplified,” stating, “Documentation to get the incentives was a hassle... There were too many cooks in the kitchen.”

Two other respondents found the NYSERDA website difficult to use. As one distributor said, “The NYSERDA website is a maze... You can spend days on the site and still not know what all the programs are.” A manufacturer stated, “I was not impressed with the website. It needs to be cleaner and easier to navigate. This is the case with both the broader NYSERDA site and the specific Upstream HVAC Program site.”

One manufacturer representative reported a need for more outreach from implementation staff. In particular, he urged staff to be “proactive in reaching out to us to let us know what is possible. Once we get [a program activity started, implementation staff] are responsive and try to get us to do more, but the timing is wrong. We do not hear from [implementation staff] until we do another event.”

### 3.5 PARTNER PERCEPTIONS OF THE PROGRAM

To gauge their perception of the program offerings, the evaluation team asked interview respondents which program activities they found most valuable.

#### 3.5.1 Perceived Value of Program Activities

When asked which program activities partners found most valuable, respondents’ answers aligned closely with program data, but not exactly. Of the 16 interview respondents, 13 said they valued cooperative advertising funds, which was by far the most popular program activity. Further echoing program data, fewer respondents indicated that they valued the program’s buy-down opportunities, although the partners who did value buy-down promotions were very interested in this program opportunity. Additionally, a couple program partners did not mention “buy-downs” by that name, but expressed the value of “rebates” (i.e. using the terms ‘rebate’ and ‘buy-down’ interchangeably) in helping them sell more energy efficient HVAC products. Training and assistance with events were mentioned the least, with only two partners mentioning each.

During interviews, program partners often drew a connection between their interest in selling more expensive (profitable) equipment and NYSERDA’s interest in promoting energy-efficient equipment in the market. One distributor said, “[It’s a] nice fit between NYSERDA’s goals and ours,” while another distributor described the program as a “win-win.” Therefore, it appears that program partners and NYSERDA are both interested in growing the market for efficient HVAC equipment, although possibly for different reasons.

**Table 3-3: Program Activities Mentioned in Interviews as Valuable**

Program Activity	Distributor (n=6)	Manufacturer Representative (n=5)	Manufacturer (n=5)	Total (n=16)
Cooperative Marketing	6	3	4	13
Buy-downs	0	1	2	3
Training	0	2	0	2
Events	1	1	0	2

### 3.5.2 Partner Awareness, Perceptions, and Use of Program Activities

During interviews with program partners, the evaluation team learned that there may be a general lack of awareness of the range of opportunities provided by the program. Beyond the lack of uptake of some program elements (as shown in Table 3-3 above), respondents often expressed uncertainty about how best to use program resources. For example, six respondents suggested they would like more help determining how to use the program elements most effectively. One manufacturer requested examples of how other program participants used the program, a distributor suggested that NYSERDA conduct a training session on how best to use cooperative marketing funds, and a manufacturer representative asked implementation staff to be “more proactive in reaching out to us to let us know what is possible.”

#### Cooperative Marketing Assistance

As mentioned above, Upstream HVAC partners are widely aware of the availability of co-op advertising funds, and most partners have taken advantage of this program opportunity. Partners perceive cooperative marketing assistance as one of the most valuable services of the program, which enables them to market their products to a wider audience than is otherwise possible.

#### Special Promotions (“Buy-Downs”)

At least three respondents—two manufacturer representatives and one manufacturer—indicated they had used or had intended to use the program’s buy-down incentives. One manufacturer and one manufacturer representative said they enrolled in the program specifically because of the buy-down incentives. In fact, one participant erroneously thought the whole program had been suspended after learning that his application for a repeat buy-down promotion was denied. The other manufacturer representative primarily was interested in the program because of buy-down incentives and expressed little interest in cooperative marketing or other types of program assistance.

#### Training

While respondents clearly were aware of the availability of cooperative marketing funds, few were aware of training opportunities through the program, and how they would use training in their business. For example, one distributor reported he could not understand how program-sponsored training could help his company, while one manufacturer representative stated, “We do not need training.” Furthermore, of the two partners who perceived value from program-sponsored training, only one respondent initially was attracted to the program for the training assistance; the other respondent said his company was less interested in training than in receiving assistance with events such as trade shows.

#### Assistance with Events

As found in respondents’ perspectives regarding training, there was little mention of using program funds to help promote energy-efficient products at events. Only two respondents said they conducted events with program assistance.

### 3.5.3 Eligible Products

Program partners are required to manufacture or distribute at least one product on NYSERDA’s Upstream HVAC Eligible Products Table. Interviews with program staff revealed that the Eligible Products Table is an “organic” document that evolves to meet changing market needs. However, nine of the 16 interview respondents indicated they would like to promote products not eligible for the program. As can be seen in Table 3-4, respondents reported interest in a range of equipment types.

**Table 3-4: Equipment Types Respondents Wanted to Promote, but were Reported as Not Currently Eligible**

Products	Count
Chillers	1
Boilers	2
Heat pumps	1
Features of equipment	1
ENERGY STAR equipment	1
On-demand water heaters	1
Packaged Terminal Air Conditioners (PTACs)	1
Geothermal units	1
Flat plate collectors	1
Evaporative cooled equipment	1

Furthermore, program partners appear to be unclear on how to interpret the Eligible Products list, or to understand the process used to add a new product. One manufacturer stated, “Descriptions were not good enough to figure out what products should be included.” Another manufacturer said that the program did not include a certain line of chillers, although the chillers were more efficient than heat pumps. While the program staff members believe the list is meaningful, they also could not indicate clearly how products qualified, this makes partners uncertainty understandable.

### 3.6 PROMOTING ENERGY EFFICIENCY IN THE HVAC MARKET

#### 3.6.1 Consumer Options: “Good, Better, Best”

During interviews, six respondents referred to a sales tactic in the HVAC industry known as “good, better, best.” “Good, better, best” means that at the point of sale, customers are offered different model options representing a range of quality and energy efficiency. Table 3-5 shows common traits of each of these options.

**Table 3-5: Good, Better, and Best**

Options Offered to Customers	Equipment Traits	Marketing by HVAC Industry	Profitability
Good	Inexpensive, not efficient, older technology, few options	Not promoted	Low profit
Better	Somewhat expensive, possibly very efficient, proven technology, more options	Promoted	Medium profit
Best	Expensive, very efficient, newest technology, many options	Promoted	High profit

As respondents explained, they generally did not promote “good” equipment, because this lower-end equipment is reserved for those buyers wanting only the cheapest option available. Respondents reported being more interested in selling the “better” option, and most interested in selling the “best” option due to the higher profits associated with higher-quality equipment. One distributor described it this way: “We make our dealers aware of doing a ‘good, better, best’ proposal... If you give the consumer three choices, 60% will choose the mid-range option [the “better” option].”

Several respondents recognized that NYSERDA’s aim to promote energy-efficiency aligned closely with their company’s goals to increase profits; both want to increase the sale of energy-efficient equipment. Sharing the same intention, albeit perhaps for different reasons, creates something of a symbiotic relationship between NYSERDA and its Upstream HVAC Program partners. As one distributor stated, “We want to sell the best products we’ve got, which is the energy-efficient equipment, and obviously NYSERDA wants to sell energy efficiency. Therefore, there is a nice fit between NYSERDA’s goals and our goals... This program is a win for us and a win for NYSERDA.” One manufacturer reported that “NYSERDA understands what we are doing with our messaging,” i.e., trying to promote a more energy-efficient product.

Although program partners perceive alignment between their business goals and NYSERDA’s energy efficiency goals, NYSERDA’s desired market effects from its Upstream HVAC program efforts remain somewhat vague. NYSERDA program staff describe the program’s goal as “building the market” for energy-efficient HVAC equipment. However, within the context of a prevalent sales approach of offering “good, better, and best” consumer options, the Upstream HVAC Program does not specifically identify the market change it seeks. For example,

- Is the program goal to grow the market for “best” equipment?
- Is the goal to minimize the market for “good” equipment?
- Is the goal to improve the efficiency of available “better” models, if these truly represent the majority of the market?

Exploring the opportunity from the perspective of the key market sales mechanism might provide an opportunity for NYSERDA to clarify its program approach, in order to leverage existing market forces.

### **3.6.2 Barriers to Energy Efficiency**

When asked to identify barriers to selling energy-efficient equipment to end-users, two-thirds of respondents mentioned first cost as a significant barrier (see Table 3-6 for a listing of all barriers identified). One distributor described an HVAC purchase by a typical homeowner as a “grudge-buy,” or one they would rather not spend money on at all. A manufacturer representative indicated it was difficult to persuade customers to invest in an energy efficient product because many cannot afford the extra up-front cost.

**Table 3-6: Barriers to Selling Energy Efficient Equipment**

Barriers Identified by Respondents	Distributor (n=6)	Manufacturer Representative (n=5)	Manufacturer (n=5)	Total (n=16)
Cost of equipment	4	3	4	11
Contractors resistant to selling “best” equipment	6	3	0	8
Lack of awareness of benefits of energy-efficient and renewable- energy equipment by public	2	2	2	6
Poor economic conditions	1	2	0	3
Other	1	0	1	2

The second most commonly identified barrier to selling energy-efficient equipment was that installation contractors tend to be resistant to “upselling” customers to energy-efficient equipment. All of the distributors and three of five of the manufacturer representatives interviewed for the evaluation identified this as a key barrier. One distributor suggested that contractors resist selling the newest, most efficient products because they are unfamiliar with new equipment and technologies. A manufacturer representative stated, “There are some contractors that don’t want to do new things and keep pushing the old products.” In the parlance of “good, better, and best,” distributors and manufacturer representatives reported that contractors were willing to sell and install the “good” and “better” products, but reluctant to install the “best” products. To address this barrier, an opportunity exists within NYSERDA for deliberate cooperation between the Upstream HVAC Program and its “midstream” HVAC program, called the Business Partners Program (BPP). The BPP focuses on providing training and resources to HVAC installation contractors to help promote more energy-efficient equipment with their customers.

The third most frequently identified barrier was the public’s lack of knowledge about the benefits of energy efficiency. According to these respondents, it is difficult to convince people to replace their existing equipment with energy-efficient products. Additionally, respondents who reported selling renewable-energy equipment such as solar water heaters and geothermal units expressed frustration at communicating the benefits of this equipment to customers. For example, one manufacturer reported that generating awareness among the public about the benefits of solar hot water systems was her “largest obstacle” to selling more units.

Finally, three respondents indicated current economic conditions made it hard to sell energy-efficient equipment. One manufacturer representative stated that in a “down” economy, customers are more likely to replace equipment only when it breaks. Encouraging someone to swap out old, but functioning, equipment is more difficult in poor economic conditions.

### 3.7 PROGRAM SATISFACTION AND SUGGESTED IMPROVEMENTS

Satisfaction generally was high with the program, particularly with the assistance and communication respondents received from the implementation contractor. Respondents also widely reported that the program enrollment process was “easy” and “smooth.” However, at least four respondents expressed dissatisfaction with the length of time required to approve proposed program activities and the distribution of incentive payments. One theory for this perception may be that NYSERDA does not use electronic

signatures, which requires that documents be physically signed and mailed for approvals of some program processes.

When asked to describe recommendations for program improvements, respondents provided the four suggestions shown in Table 3-7. Respondents were able to give multiple or no responses.

**Table 3-7: Recommended Improvements by Respondent Group**

Recommended Program Improvements	Distributor (n=6)	Manufacturer Representative (n=5)	Manufacturer (n=5)	Total (n=16)
Better inform participants about what is possible under program (examples)	2	2	2	6
Add equipment or services to eligible list	2	1	2	5
Simplify program	2	1	0	3
Improve NYSERDA website	0	0	2	2

### 3.7.1 Improved Program Information

The most popular suggestion, offered by six respondents, was to provide better information about the program's activities and benefits. One respondent suggested that implementation staff be more proactive in providing partners with information on what kinds of activities he could undertake through the program. A distributor reported interest in training about effective use of cooperative marketing funds. Two manufacturers specifically requested examples of how other participants are using funds; one suggested an electronic newsletter highlighting specific partner activities.

### 3.7.2 Eligible Products

Five respondents suggested adding equipment or services to the program's Eligible Products Table. Two distributors requested greater emphasis on gas-fired equipment. These distributors recognized that the program funds come from a System Benefits Charge on electric utilities, but according to one of these distributors, "It is short-sighted to not cover gas and oil products." One manufacturer representative requested greater emphasis on program support for large commercial equipment. Another manufacturer stated the program does not emphasize renewable-energy equipment enough, specifically geothermal equipment.

### 3.7.3 Program Simplification

Three respondents expressed a desire for program simplifications. These included: easier-to-understand explanations of how the program works, and two requests to reduce bureaucracy and delays in obtaining approvals and payments.

### 3.7.4 Website

Finally, two manufacturers suggested NYSERDA improve the program website. One suggested a general improvement in website navigability, while another proposed showcasing the Eligible Products Table.

### **3.8 PARTICIPANT SUMMARY**

Responses suggest participants could benefit from learning how to optimize their individual experience in the program, i.e. how to put program services to the best use for their company. Respondents widely reported interest in cooperative marketing funds but did not seem to recognize the potential value in training efforts. Furthermore, responses suggest that participants would benefit from examples of how others are using program funds.

Respondents generally were satisfied with the program. Sharing a common objective with NYSERDA — increasing sales of energy-efficient equipment—appears to be an asset of the program. However, there are actions that can be taken that might increase participation and partner engagement. For example, at least five respondents said that expanding the list of what is allowable for reimbursement under the program might increase their participation. Additionally, supporting activities that create awareness among the general public about the benefits of energy efficiency also could drive demand for energy-efficient products. In addition, supporting activities that help contractors install “better” and “best” equipment could encourage demand for energy-efficient products.

### **3.9 NONPARTICIPANTS – PROSPECTIVE PROGRAM PARTNERS**

The evaluation team interviewed four of the 28 nonparticipants identified in the program database: two distributors and two manufacturers. During the interviews, each contact identified the reasons why they chose not to participate in the program: 1) the program did not support the manufacturer’s equipment, 2) lack of awareness of the program, and 3) reluctance to share private company information and to submit program-required reports.

However, all of these contacts expressed some interest in the program, particularly the cooperative marketing assistance. The nonparticipant manufacturer was working with implementation staff to gain approval for their equipment. She wanted the opportunity to associate her product line with NYSERDA and leverage her company’s resources by using program funds for her product promotion. One of the distributors saw value in using program funds but could not justify participation because of what he saw as onerous reporting requirements. The other distributor expressed interest in participating because, as he said, “We are always looking for co-op funds to help us sell products.”

These three contacts also offered suggestions for program improvements, including: training on strategies to sell energy-efficient equipment, and tools that show customers how much energy-efficient equipment will save.

### **3.10 NONPARTICIPANT SUMMARY**

Nonparticipants reported they did not participate because: 1) the program did not support the manufacturer’s equipment, 2) lack of awareness of the program, and 3) reluctance to share private company information and to submit program-required reports. However, nonparticipants suggested they would be likely to participate in the program if these three barriers could be overcome.



## SECTION 4: CONCLUSIONS AND RECOMMENDATIONS

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These conclusions and recommendations focus on key issues that emerged during the process evaluation.

**Conclusion: Program goals are not clearly defined.** Although program and implementation staff were consistent in describing the program as a market transformation effort with the overall goal “to build the market” for energy efficient HVAC equipment, specificity around desired market changes is not well documented or understood. For example, program materials do not describe the metrics that would be used to answer the question: When the HVAC market is transformed, how will you know?

**Recommendation: Develop a program logic model that illustrates intended program flow from program activities to short and long-term objectives to overall market transformation goal(s).** An effective program logic model should create a visual map leading from activity to short/long-term outcome to overall market transformation goal. One example might be:  
Cooperative advertising → increased public awareness of energy efficiency → higher consumer demand for energy efficient<sup>5</sup> products → increased manufacturer supply of energy efficient product options → increased market share of energy efficient HVAC products.

**Conclusion: The Eligible Products Table is an evolving document. Some program partners were confused about how the approved products were selected, and how a new product can be added to the table.** This appears to make it difficult for full partner engagement, as some do not understand how and why certain products become eligible.

**Recommendation: Clearly define the selection criteria for eligible products.** Explain the Eligible Products Table to existing and prospective program partners and the selection criteria for new products. These criteria ideally would flow from a well-developed program logic model.

**Conclusion: NYSERDA should better align the market changes it seeks with the marketing strategies currently used by market actors.** For example, many upstream market actors reported providing “good, better, and best” options to potential customers, with “best” equipment being both most profitable for the company and most energy-efficient for the end-user.

**Recommendation: Consider this industry insight-driven sales mechanism when working to clarify the program’s specific market transformation goals.** For example, should the desired market effect be to grow the market for “best” equipment, to minimize the market for “good” equipment, or to improve the efficiency of available “better” models (since sales of these mid-range models seem to represent a significant portion of the market)?

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<sup>5</sup> Program materials, including its logic model, should clearly define the criteria for a product to be considered “energy efficient.”

**Conclusion:** Participants did not seem to be aware of the full range of opportunities available through the Upstream HVAC Program to help them promote their most energy-efficient products, i.e., those products appearing on the Eligible Products list maintained by the program. About two-thirds of Upstream HVAC partners did not participate in any program-sponsored activity.

**Recommendation:** Investigate opportunities for improved partner outreach to raise awareness about the variety of activities, assistance, and training opportunities available through the program. Provide “real-world” examples of the types of promotions and activities other program partners have done. NYSERDA might consider developing a partner forum or newsletter for sharing program experiences among participants.

**Conclusion:** Barriers to energy efficiency exist at all stages of the HVAC supply chain. Although NYSERDA’s midstream (Business Partners) HVAC program is quite new, NYSERDA has a valuable opportunity to carefully and deliberately coordinate the Upstream HVAC with other NYSERDA programs.

**Recommendation:** The Upstream HVAC Program and the Business Partners Program should consider designing their program offerings in concert. A more coordinated effort might improve information flow throughout the HVAC supply chain and improve overall industry awareness and knowledge of energy-efficient HVAC equipment.

**APPENDIX A:**  
**INTERVIEW GUIDES**

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**INTERVIEW GUIDE FOR NYSERDA UPSTREAM HVAC NYSERDA PROGRAM STAFF**

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Date: \_\_\_\_\_ Interviewer: \_\_\_\_\_

**Introduction**

Hello, my name is \_\_\_\_\_. I'm with Research Into Action. As you know, we have been asked by NYSERDA to conduct a process evaluation of the Upstream HVAC program.

[The following text is available if the interviewee has any questions about the purpose of the interview: The process evaluation is to examine perceptions of program processes by program staff, implementation contractors, and program partners (HVAC distributors, manufacturers, and manufacturers reps). The evaluation activities include in-depth interviews with NYSERDA and program implementation contractor staff, followed by interviews with active (one or more completed projects) and inactive (no recently completed projects) program partners. The objectives of the process evaluation include: 1) Assessment of internal coordination effectiveness between sectors, and with the Business Partners Program; 2) Assessment of any barriers to becoming an Upstream HVAC program partner; 3) Assessment of upstream market actors' perceptions of the nature of, and recent changes to, the energy efficient HVAC market; 4) Assessment of the benefits and drawbacks of program participation for upstream market partners; and 5) Provision of actionable recommendations for current or future program design, if necessary.]

We would like to have 45 minutes to an hour of your time to talk with you about your involvement and experiences with the Upstream HVAC program. Is this a convenient time for you to talk, or would you prefer to schedule another time? [Proceed or schedule appointment as appropriate.]

**Role**

1. To begin, what are your roles and responsibilities with the Upstream HVAC program?
2. With whom at NYSERDA do you work most frequently on the Upstream HVAC program? What are their roles?

**Program Goals**

3. Please describe your understanding of the program's goals. Please include overarching market changes the program hopes to achieve, and what market barriers the program hopes to overcome.

**Program Activities**

Next, I'd like to get a sense for how Upstream HVAC functions by asking you about the program's main activities. Based on the Partnership Agreements, these activities include the following:

	Program Activities							
	Access to Program Strategies	Co-op Advertising	Media Recognition Campaigns	Website Recognition Activities	Program Training	Assistance obtaining new distributors and suppliers	Free POP	Assistance with POP placement and labeling
For each activity: 1. Please describe what it is; 2. What is the expected outcome? 3. How do you know if it's successful? 4. Has it met your expectations? [better/worse than expected?] 5. How have participants responded to the activity? 6. Is this surprising, or was it expected?								
Manufacturer	Is this an umbrella term for the activities to the right?						N/A	N/A
Distributor						N/A		

4. Have there been any changes in program activities since the program began in 2010? *[probe for anything additional to the table above]*?

### **Eligible Products**

5. NYSERDA has a list of eligible products for the Upstream HVAC program (effective March 3, 2010). Partners are required to manufacture/stock at least one product from this list.
  - a. What is the typical base case for new partners? Do companies typically manufacture/stock none of these products before becoming partners?
  - b. Do partners typically choose to manufacture/stock only one product, or more?

### **Communications**

6. Please describe how you interact with other groups internally at NYSERDA, including how you coordinate between residential and commercial Upstream HVAC, and with other programs (Specifically the Business Partners Program (BPP) as well as others such as Home Performance, Energy Star Labeled Homes, and for small commercial what programs?). *[Probe for frequency, organized v. ad hoc, topics addressed.]*
  - a. Coordination between Residential and Commercial –
  - b. Coordination between Upstream HVAC and other programs, such as BPP –
  - c. Other interactions to note?
  - d. Does Upstream HVAC coordinate with NY utility HVAC incentive programs?
7. Please describe how your communication with Lockheed Martin implementation staff works. [e.g. Monthly reports, weekly meetings, ad hoc phone calls]
8. [If not addressed,] Are there ways in which communication/coordination could be improved? *[Probe for barriers, effectiveness, contact's satisfaction].*

### **Administration**

9. How are project information and data for Upstream HVAC recorded and tracked by NYSERDA? *[Probe for who has responsibility for tracking, recording, and providing reports; also for difficulties or challenges in completing these tasks. This has been a general issue for NYSERDA.]*
10. Have you encountered any issues or difficulties in working with the program database? Please explain. Do you have any suggestions for how the database can be improved?
11. Have you received any feedback from implementation staff or Upstream HVAC program partners about the program's data tracking, partner enrollment and renewal, project application, or incentive and award payment processes? If so, what have you heard?
12. Please describe your experience with the Upstream HVAC partner enrollment process. *[Probe for ease/difficulty, and for satisfaction with rate of enrollment.]*

13. Once partners are enrolled, please describe the process of how they share sales/stocking data with NYSERDA.  
  
[If not addressed,] Are you aware of any ways in which any of those processes could be improved?
14. What kinds of things limit or discourage active participation in the program? [If any:] Are there any program adjustments planned to address these?
15. Please describe how program training is implemented for participating partners.
16. What is the goal of the program training – i.e. To achieve changes in knowledge/attitude/behaviors? Or is the goal more administrative, e.g. to help navigate program requirements? Who conducts program training?
17. What level of energy efficiency product knowledge do the HVAC manufacturers and distributors generally have before becoming NYSERDA program partners?
18. Is there an expectation that they will increase knowledge/awareness of energy efficient products as a result of program participation? [*Probe for how this increase will occur (program logic) and magnitude of knowledge change with respect to program goals. Reference response to Question 3*].

### **Summary**

19. After the first year of the Upstream HVAC program, what would you say is working well?
20. What aspects of Upstream HVAC are not working as well as you hoped? Where would you like to see improvements made?
21. Are there any other program changes or issues that we have not discussed that you would like to mention?
22. What would you most like to learn from this evaluation?

**INTERVIEW GUIDE FOR NYSERDA UPSTREAM HVAC IMPLEMENTATION  
CONTRACTOR STAFF**

Name:

Title:

Date:

Interviewer:

**Introduction**

Hello, my name is \_\_\_\_\_. I'm with Research Into Action. As you know, we have been asked by NYSERDA to conduct a process evaluation of the Upstream HVAC program.

*[The following text is available if the interviewee asks any questions about the purpose of the interview: The process evaluation is to examine perceptions of program processes by program and implementation staff and program partners (HVAC distributors, manufacturers, and manufacturers reps), using similar methods to provide comparable results for the three components. The activities include in-depth interviews with NYSERDA and program implementation contractor staff, followed by interviews with active (one or more completed projects) and inactive (no recently completed projects) program partners. The objectives of the process evaluation include: 1) Assessment of internal coordination effectiveness between sectors, and with the Business Partners Program; 2) Assessment of barriers to becoming an Upstream HVAC program partner; 3) Assessment of upstream market actors' perceptions of the nature of, and recent changes to, the energy efficient HVAC market; 4) Assessment of the benefits and drawbacks of program participation for upstream market partners; and 5) Provision of actionable recommendations for current or future program design, if necessary.]*

We would like to have 45 minutes to an hour of your time to talk with you about your involvement and experiences with the Upstream HVAC program. Is this a convenient time for you to talk, or would you prefer to schedule another time? *[Proceed or schedule appointment as appropriate.]*

**Role**

1. To begin, what are your roles and responsibilities with the Upstream HVAC program?
2. With whom at NYSERDA do you work most frequently on the Upstream HVAC program? What are their roles?

**Program Goals**

3. Please describe your understanding of the program's goals, beyond numeric program participation goals. I'm interested in your understanding of the overarching market changes the program hopes to achieve, and what market barriers the program hopes to overcome.

**Program Activities**

Next, I'd like to get a sense for how Upstream HVAC functions by asking you about the program's main activities. Based on the Partnership Agreements, these activities include the following:

Program Activities								
	Access to Program Strategies	Co-Op Advertising	Media Recognition Campaigns	Website Recognition Activities	Program Training	Assistance obtaining new distributors and suppliers	Free POP	Assistance with POP placement and labeling
For each activity: 1. Please describe what it is; 2. What is the expected outcome? 3. How do you know if it's successful? 4. Has it met your expectations? [better/worse than expected?] 5. How have participants responded to the activity? 6. Is this surprising, or was it expected?								
Manufacturer	Please explain what is meant by this activity – what specifically are the strategies, and what is the goal?						N/A	N/A
Distributor						N/A		

4. Have there been any changes in program activities since the program began in 2010? [*probe for anything additional to the table above*]?

### **Eligible Products**

5. NYSERDA has a list of eligible products for the Upstream HVAC program (effective March 3, 2010). Partners are required to manufacture/stock at least one product from this list.
  - a. What is the typical base case for new partners? Do companies typically manufacture/stock none of these products before becoming partners?
  - b. Do partners typically choose to manufacture/stock only one product, or more?
  - c. How does NYSERDA go about adding or removing products from this list?
  - d. Do you feel that NYSERDA is adequately responsive to the market's desires?
  - e. Do you have any suggestions on how NYSERDA could improve this process?

### **Communications**

6. Please describe how your communication with NYSERDA staff works. [e.g. Monthly reports, weekly meetings, ad hoc phone calls]
7. What type of communication/coordination do you do with other NYSERDA program teams: Home Performance, Energy Star Labeled Homes, Business Partners-HVAC, and for small commercial which programs?
8. Do you receive effective and timely feedback and guidance from NYSERDA staff?
9. [If not addressed,] Are there ways in which communication/coordination could be improved? [*Probe for barriers, effectiveness, contact's satisfaction*].

### **Administration**

10. How are project information and data for Upstream HVAC recorded and tracked by Lockheed Martin? [*Probe for difficulties or challenges in completing these tasks.*]
11. Have you encountered any issues or difficulties in working with the program database? Please explain. Do you have any suggestions for how the database can be improved?
12. Please describe your experience with the Upstream HVAC partner enrollment process. [*Probe for ease/difficulty, and for satisfaction with rate of enrollment.*]
13. Once partners are enrolled, please describe the process of how they share sales/stocking data with NYSERDA.

[If not addressed,] Are you aware of any ways in which any of those processes could be improved?

14. Have there been any changes in program activities since the program began in 2010? [*probe for anything additional to the table above*]?

15. What kinds of things limit or discourage active participation in the program? [If any:] Are there any program adjustments you'd like to see to address these?
16. Please describe how program training is implemented for participating partners.
17. What is the goal of the program training – i.e. To achieve changes in knowledge/attitude/behaviors? Or is the goal more administrative, e.g. to help navigate program requirements? Who conducts program training?
18. What level of energy efficiency product knowledge do the HVAC manufacturers and distributors generally have before becoming NYSERDA program partners?
19. Is there an expectation that they will increase knowledge/awareness of energy efficient products as a result of program participation? [*Probe for how this increase will occur (program logic) and magnitude of knowledge change with respect to program goals. Reference response to Question 3*].

**Summary**

20. After the first year of the Upstream HVAC program, what would you say is working well?
21. What aspects of Upstream HVAC are not working as well as you hoped? Where would you like to see improvements made?
22. Are there any other program changes or issues that we have not discussed that you would like to mention?

**INTERVIEW GUIDE FOR ACTIVE UPSTREAM HVAC MANUFACTURER PARTNERS**

Name:

Title:

Date:

Interviewer:

Type of HVAC product manufactured:

**Introduction**

Hello, my name is \_\_\_\_\_. I'm with Research Into Action in Portland, Oregon. We have been asked by NYSERDA to conduct an evaluation of the Upstream HVAC program to help NYSERDA improve the program. Our questions will focus on your experiences with program procedures, communications, and activities. We would like to have 20 minutes to half an hour of your time. Is it convenient for you to talk now, or would you prefer to schedule another time? [*Proceed or schedule appointment as appropriate.*]

Call Back No. 866-395-4641

**Role & Program History**

1. What is your job title [*If necessary, probe for role*]?
2. According to my records you are a NYSERDA Upstream HVAC Manufacturer Partner, is that correct? [*If not, continue with Inactive Manufacturers guide*]
3. How long have you been a partner?
4. Prior to becoming a program partner, did you manufacture any of the energy efficient products on NYSERDA's Energy Smart Upstream HVAC Program Eligible Product list? How many?
5. How many eligible products do you manufacture now?

**Program/Market Experience**

6. Why did your firm become an Upstream HVAC Partner?
7. What difference has your participation in the Upstream HVAC program made to your business?
  - a. [*If not addressed*] Do you feel that the opportunity to participate in the program has been valuable?
  - b. Has the Upstream HVAC program helped you grow your sales of energy efficient HVAC products?
  - c. Has your participation in the program directly led to an increase in the sales and/or customer interest in energy efficient HVAC equipment? How so?
  - d. Have you participated in any special promotions or buy-downs? Were they effective? Please describe the effect of these activities on your business.
8. [*If not addressed*] Which of the Upstream HVAC program services are the most valuable to your firm? Why?
9. Which services are least valuable? Why?
10. Are there any additional tools or training you, or your firm, would like to have or need in order to be more effective selling highly efficient products in the market place?
11. Which products are you having sales success with? Why do you think they are successful? Are these products energy efficient?
12. Are there any particular products you would like to manufacture or promote, but don't currently? If so, why?
13. In your experience as a manufacturer, what are the barriers to growing the market share of energy efficient units you sell (e.g. furnaces, AC, Heat pumps)?

14. Besides the efforts of the Upstream HVAC program, how do you think these barriers can be overcome?

**Administrative Processes**

15. How did you become aware of NYSERDA's Upstream HVAC program?
16. How did the program enrollment process work for you?
- a. How smooth or difficult was the process, in general?
  - b. Did you have any difficulties with the paperwork requirements?
  - c. How about support from program staff, did you feel like that was sufficient?
17. Please describe your communications with implementation staff (Lockheed Martin).

[Probe for frequency, media, satisfaction]

18. [If not addressed] How responsive has Lockheed Martin been?
19. Would you like more contact directly with NYSERDA staff about the program? If so, Why?

**Summary**

20. What would you say are the greatest strengths of the program?
21. What are the most important improvements that still need to be made?
22. [If not addressed] Do you have any suggestions for how the program could work more effectively with you?
23. Do you have any other thoughts or comments about the Upstream HVAC program that we have not discussed?

**Firmographics**

24. How many locations does your firm have in New York State?<sup>6</sup>
25. What is the total number of employees who work out of those locations?
26. What are the customer business types you serve?
27. Is your company independent, or part of a larger company?
- a. Independent
  - b. Part of a larger company
    - i. Don't know

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<sup>6</sup> The **New York Energy Smart**<sup>SM</sup> Program area consists of the Central Hudson Gas & Electric Corp., Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas & Electric utility service areas.

- c. Refused
- d. Other (specify)

Thank you for your time.

**INTERVIEW GUIDE FOR ACTIVE UPSTREAM HVAC DISTRIBUTORS**

Name:

Title:

Date:

Interviewer:

Type of HVAC product distributed:

**Introduction**

Hello, my name is \_\_\_\_\_. I'm with Research Into Action in Portland, Oregon. We have been asked by NYSERDA to conduct an evaluation of the Upstream HVAC program to help NYSERDA improve the program. Our questions will focus on your experiences with program procedures, communications, and activities. We would like to have 20 minutes to half an hour of your time. Is it convenient for you to talk now, or would you prefer to schedule another time? [Proceed or schedule appointment as appropriate.]

*Call Back No. 866-395-4641*

**Role & Program History**

1. What is your job title [*If necessary, probe for role*]?
2. According to my records you are a NYSERDA Upstream HVAC Distributor Partner, is that correct? [If not, continue with Inactive Distributors guide]
3. How long have you been a partner?
4. Prior to becoming a program partner, did you distribute any of the energy efficient products on NYSERDA's Energy \$mart Upstream HVAC Program Eligible Product list? How many? [Probe for frequency, media, satisfaction]
5. How many eligible products do you distribute now?

**Program/Market Experience**

6. Why did your firm become an Upstream HVAC Partner?
7. What difference has your participation in the Upstream HVAC program made to your business?
  - a. [If not addressed] Do you think that the opportunity to participate in the program has been valuable?
  - b. Has the Upstream HVAC program helped you grow your sales of energy efficient HVAC products?
  - c. Would you say that the Upstream HVAC program has directly led to an increase in sales of energy efficient HVAC products for your company? How so?
  - d. Have you participated in any special promotions?  
[probe for type of promotion]
  - e. Were these promotions effective? Please describe the effect of these activities on your business.
8. [If not addressed] Which of the Upstream HVAC program services are the most valuable to your firm? Why?  
[Program activities include the following:  
*Access to program strategies*  
*Co-op advertising*  
*Media recognition campaigns*  
*Website recognition activities*  
*Program training*

*Assistance obtaining new suppliers]*

9. Which services are least valuable? Why?
10. Are there any additional tools or training you, or your firm, would like to have or need in order to be more effective at selling highly efficient products in the market place?
11. Which products, energy efficient or not, are you having sales success with? Why do you think they are successful? Are these products energy efficient?
12. Are there any particular products you would like to promote, but don't currently? If so, why?
13. In your experience as a distributor, what are the barriers to growing the market share of energy efficient units you sell (e.g. furnaces, AC, Heat pumps)?
14. Besides the efforts of the Upstream HVAC program, how do you think these barriers can be overcome?

**Administrative Processes**

15. How did you become aware of NYSERDA's Upstream HVAC program?
16. How did the program enrollment process work for you?
  - a. How smooth or difficult was the enrollment process, in general?
  - b. Did you have any difficulties with the paperwork requirements?
  - c. How about support from program staff, did you think it was sufficient?

*[Probe for frequency, satisfaction]*

17. Please describe your communications with implementation staff (Lockheed Martin).
  18. [Probe for frequency, media, satisfaction]
- [If not addressed] How responsive has Lockheed Martin been?
19. Would you like more contact directly with NYSERDA staff about the program? If so, Why?  
[Probe for what, if anything, the participant perceives as missing]

**Summary**

20. What would you say are the greatest strengths of the program?
21. What are the most important improvements that still need to be made?
22. [If not addressed] Do you have any suggestions for how the program could work more effectively with you?
23. Do you have any other thoughts or comments about the Upstream HVAC program that we have not discussed?

**Firmographics**

24. How many locations does your firm have in New York State?<sup>7</sup>
- 

<sup>7</sup> The **New York Energy \$mart<sup>SM</sup>** Program area consists of the Central Hudson Gas & Electric Corp., Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas & Electric utility service areas.

25. What is the total number of employees who work out of those locations?
26. What are the customer business types you serve?
27. Is your company independent, or part of a larger company?
  - a. Independent
  - b. Part of a larger company
  - c. Don't know
  - d. Refused
  - e. Other (specify)

Thank you for your time.

## INTERVIEW GUIDE FOR ACTIVE UPSTREAM HVAC MANUFACTURER REPRESENTATIVES

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Date: \_\_\_\_\_ Interviewer: \_\_\_\_\_

Type of HVAC product represented: \_\_\_\_\_

### Introduction

Hello, my name is \_\_\_\_\_. I'm with Research Into Action in Portland, Oregon. We have been asked by NYSERDA to conduct an evaluation of the Upstream HVAC program to help NYSERDA improve the program. Our questions will focus on your experiences with program procedures, communications, and activities. We would like to have 20 minutes to half an hour of your time. Is it convenient for you to talk now, or would you prefer to schedule another time? [Proceed or schedule appointment as appropriate.]

*Call Back No. 866-395-4641*

### Role & Program History

1. What is your job title [*If necessary, probe for role*]?
2. According to my records you are a NYSERDA Upstream HVAC Manufacturer Representative Partner, is that correct? [*If not, continue with Inactive Manufacturer representatives guide*]
3. How long have you been a partner?
4. Prior to becoming a program partner, did you distribute any of the energy efficient products on NYSERDA's Energy Smart Upstream HVAC Program Eligible Product list? How many? [*Probe for frequency, media, satisfaction*]
5. How many eligible products do you distribute now?

### Program/Market Experience

6. Why did your firm become an Upstream HVAC Partner?
7. What difference has your participation in the Upstream HVAC program made to your business?
  - a. [If not addressed] Do you think that the opportunity to participate in the program has been valuable?
  - b. Has the Upstream HVAC program helped you grow your sales of energy efficient HVAC products?
  - c. Would you say that the Upstream HVAC program has directly led to an increase in sales of energy efficient HVAC products for your company? How so?
  - d. Have you participated in any special promotions? [*probe for type of promotion*]
  - e. Were these promotions effective? Please describe the effect of these activities on your business.
8. [If not addressed] Which of the Upstream HVAC program services are the most valuable to your firm? Why?
 

[Program activities include the following:

  - Access to program strategies
  - Co-op advertising
  - Media recognition campaigns
  - Website recognition activities

- Program training
  - Assistance obtaining new suppliers]
9. Which services are least valuable? Why?
  10. Are there any additional tools or training you, or your firm, would like to have or need in order to be more effective at selling highly efficient products in the market place?
  11. Which products, energy efficient or not, are you having sales success with? Why do you think they are successful? Are these products energy efficient?
  12. Are there any particular products you would like to promote, but don't currently? If so, why?
  13. In your experience as a manufacturer representative, what are the barriers to growing the market share of energy efficient units you sell (e.g. furnaces, AC, Heat pumps)?
  14. Besides the efforts of the Upstream HVAC program, how do you think these barriers can be overcome?

### **Administrative Processes**

15. How did you become aware of NYSERDA's Upstream HVAC program?
16. How did the program enrollment process work for you?
  - a. How smooth or difficult was the enrollment process, in general?
  - b. Did you have any difficulties with the paperwork requirements?
  - c. How about support from program staff, did you think that it was sufficient?

*[Probe for frequency, satisfaction]*

17. Please describe your communications with implementation staff (Lockheed Martin).  
*[Probe for frequency, media, satisfaction]*
18. [If not addressed] How responsive has Lockheed Martin been?
19. Would you like more contact directly with NYSERDA staff about the program? If so, Why?  
*[Probe for what, if anything, the participant perceives as missing]*

### **Summary**

20. What would you say are the greatest strengths of the program?
21. What are the most important improvements that still need to be made?
22. [If not addressed] Do you have any suggestions for how the program could work more effectively with you?
23. Do you have any other thoughts or comments about the Upstream HVAC program that we have not discussed?

### **Firmographics**

24. How many locations does your firm have in New York State?<sup>8</sup>

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<sup>8</sup> The New York Energy \$mart<sup>SM</sup> Program area consists of the Central Hudson Gas & Electric Corp., Consolidated Edison Company of New York, Inc., New York State Electric & Gas

25. What is the total number of employees who work out of those locations?
26. What are the customer business types you serve?
27. Is your company independent, or part of a larger company?
  - a. Independent
  - b. Part of a larger company
  - c. Don't know
  - d. Refused
  - e. Other (specify)

Thank you for your time.

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Corporation, National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas & Electric utility service areas.

**INTERVIEW GUIDE FOR NONPARTICIPANTS - MANUFACTURERS**

Name:

Title:

Date:

Interviewer:

Type of HVAC product manufactured:

**Introduction**

Hello, my name is \_\_\_\_\_. I'm with Research Into Action in Portland, Oregon. We have been asked by NYSERDA to conduct an evaluation of the Upstream HVAC program to help NYSERDA to improve the program. Our questions will focus on your experiences with program procedures, communications, and activities. We would like to have 15 to 20 minutes of your time. Is it convenient for you to talk now, or would you prefer to schedule another time? [Proceed or schedule appointment as appropriate.]

*Call Back Number: 866-395-4641*

**Role & Background**

1. What is your job title and role at your firm?
2. According to our records, your firm was invited to become a partner in NYSERDA's Upstream HVAC program, but you elected to decline. Is this correct?
  - a. Declined invitation
  - b. Became a partner but did not become active
3. Why did you decide not to participate [or, why did you choose to participate but then remain inactive?] in the Upstream HVAC program?
4. Has your firm received any training, assistance, or any other services from the Upstream HVAC program? [*Probe for what type of training and why they sought the training*]
5. [If yes to Q. 4] How satisfied were you with the training you received?

**Program/Market Experience**

6. Do you manufacture any energy efficient [HVAC products] (reference type of product manufactured, at top of instrument)? [If yes] Which ones?
7. Which of the Upstream HVAC program services are the most appealing to your firm? Why? [*Read manufacturer partner benefits, if necessary:*  
***Benefits of Program partnership include:***
  - Access to effective program strategies designed to increase sales of ENERGY STAR and other energy efficient HVAC products;
  - Co-op funds for all types of media advertising and targeted promotions;
  - Opportunities to create joint promotions with retailers and distributors;
  - Additional media recognition via NYSERDA sponsored TV, radio, and print campaigns;
  - Leveraged assistance in opening new doors with prospective New York State distributors/suppliers and retailers;

- The opportunity to align with national ENERGY STAR campaigns and with other **New York Energy \$mart<sup>SM</sup>** promotions;
  - Increased consumer visibility by being listed on the [www.GetEnergySmart.org](http://www.GetEnergySmart.org) and [nysesda.org](http://nysesda.org) websites;
  - Exposure to other NYSEDA programs, initiatives, and incentives; and
  - Program training.]
8. Which of these services would be least valuable to your firm? Why?
  9. Are there any additional tools or training you, or your firm, would like to have or need in order to be more effective selling highly efficient products in the market place?
  10. Which products are you having sales success with? Why do you think they are successful? Are these products energy efficient?
  11. Are there any particular products (or product features) you would like to manufacture or promote, but don't currently? If so, why?
  12. In your experience as a manufacturer, what are the barriers to growing the market share of energy efficient HVAC units you sell (e.g. furnaces, AC, Heat pumps)?
  13. Besides the efforts of the Upstream HVAC program, how do you think these barriers can be overcome?

### Summary

14. Do you have any additional thoughts or comments about the energy efficient HVAC market that we have not discussed?

### Firmographics

15. How many locations does your firm have in New York State?
16. What is the total number of employees who work out of those locations?
17. What are the customer business types you serve?
18. Is your company independent, or part of a larger company?
  - a. Independent
  - b. Part of a larger company
  - c. Don't know
  - d. Refused
  - e. Other (specify)

Thank you for your time.

## INTERVIEW GUIDE FOR NONPARTICIPANTS – DISTRIBUTOR OR MANUFACTURER REPRESENTATIVE

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Date: \_\_\_\_\_ Interviewer: \_\_\_\_\_

Type of HVAC product distributed or represented: \_\_\_\_\_

### Introduction

Hello, my name is \_\_\_\_\_. I'm with Research Into Action in Portland, Oregon. We have been asked by NYSERDA to conduct an evaluation of the Upstream HVAC program to help NYSERDA improve the program. Our questions will focus on your experiences with program procedures, communications, and activities. We would like to have 15 to 20 minutes of your time. Is it convenient for you to talk now, or would you prefer to schedule another time? [Proceed or schedule appointment as appropriate.]

*Call Back Number: 866-395-4641*

### Role & Background

1. What is your job title and role at your firm?
2. According to our records, your firm was invited to become a partner in NYSERDA's Upstream HVAC program, but you elected to decline. Is this correct?
  - a. Declined invitation
  - b. Became a partner but did not become active
3. Why did you decide not to participate [or, why did you choose to participate but then remain inactive?] in the Upstream HVAC program?
4. Has your firm received any training, assistance, or any other services from the Upstream HVAC program? [Probe for what type of training and why they sought the training]
5. [If yes to Q. 4] How satisfied were you with the training you received?

### Program/Market Experience

6. Do you distribute any energy efficient [HVAC products] (reference type of product distributed, at top of instrument)? [If yes] Which ones?
7. Which of the Upstream HVAC program services are the most appealing to your firm? Why? [Read distributor partner benefits, if necessary:]

### Benefits of Program partnership include:

- Access to effective program strategies designed to increase sales of ENERGY STAR and other energy efficient HVAC products;
- Co-op funds for all types of media advertising and targeted promotions;
- FREE eye-catching and effective in-store, point-of-purchase (POP) materials;
- Assistance with labeling and placement of free POP materials;
- Additional media recognition via NYSERDA sponsored TV, radio, and print campaigns;
- Opportunity to align with national ENERGY STAR campaigns and with other **New York Energy \$mart<sup>SM</sup>** promotions;

- Increased consumer visibility by being listed on the [www.GetEnergySmart.org](http://www.GetEnergySmart.org) and [nyscrda.org](http://nyscrda.org) websites;
  - Exposure to other NYSERDA programs, initiatives, and incentives; and
  - Program training.
8. Which of these services would be least valuable to your firm? Why?
  9. Are there any additional tools or training you, or your firm, would like to have or need in order to be more effective selling highly efficient products in the market place?
  10. Which products are you having sales success with? Why do you think they are successful? Are these products energy efficient?
  11. Are there any particular products (or product features) you would like to promote, but don't currently? If so, why?
  12. In your experience as a distributor, what are the barriers to growing the market share of energy efficient HVAC units you sell (e.g. furnaces, AC, Heat pumps)?
  13. Besides the efforts of the Upstream HVAC program, how do you think these barriers can be overcome?

**Summary**

14. Do you have any additional thoughts or comments about the energy efficient HVAC market that we have not discussed?

**Firmographics**

15. How many locations does your firm have in New York State?
16. What is the total number of employees who work out of those locations?
17. What are the customer business types you serve?
18. Is your company independent, or part of a larger company?
  - a. Independent
  - b. Part of a larger company
  - c. Don't know
  - d. Refused
  - e. Other (specify)

Thank you for your time.