



Illinois State Energy Efficient Appliance Rebate Program Case Study

Program Overview

The State Energy Efficient Appliance Rebate Program (SEEARP) was created under the federal Energy Policy Act of 2005 and was funded through the American Reinvestment and Recovery Act of 2009 (ARRA). The U.S. Department of Energy (DOE) approved ARRA-funded SEEARP programs in all 50 states, the District of Columbia, as well as the American territories and protectorates. DOE required each grant recipient to submit its own program design, resulting in 56 different approaches.

The Illinois Department of Commerce and Economic Opportunity (DCEO), as Illinois' State Energy Office, served as the conduit for the DOE funding and provided additional state-level funding for SEEARP. DCEO engaged MEEA early on to design a program that would leverage existing resources, offer maximum benefit to both the public and participating companies, and allow for rapid and efficient deployment of funds.

A Unique Approach

Illinois SEEARP chose to rebate a wide range of products in *three distinct program phases*, each of which continued until the individual budget was exhausted. This phased approach allowed the program to benefit a variety of consumers and for marketing efforts to be cumulative in their effect.

All rebates were administered through participating appliance and water heater retailers and HVAC contractors as an *instant discount* on the customer's bill. Participating retailers were required to sign an agreement form in order to offer the rebate and be listed on the program website, which was searchable by the public. HVAC companies were required to join one of three Illinois utility networks, which had the added long-term benefit of spurring interest in these groups.

Point-of-sale rebate delivery put the marketing and promotion squarely into the hands of the participating companies. All were encouraged to use the rebates as a sales tactic and to perform any marketing they desired, as long as the rebate funds were properly attributed to the Recovery Act and DCEO. Shared marketing costs, along with leveraged resources and networks allowed IL SEEARP to use 92% of all program funds for customer rebates.

Importantly, the chosen program design allowed consumers to benefit immediately from the Recovery Act funds and more easily afford the energy efficient products. Simultaneously, this generated highly valued foot traffic for participating retailers, allowing them to capture additional sales on non-rebated items.

Strong Results

IL SEEARP reaped massive benefits for Illinois' economy. Many retailers indicated that the program spurred the highest-volume sales day *on record*. \$12.5 million in rebates directly resulted in nearly \$100 million worth of sales for participating retailers and contractors in the midst of one of the most difficult economic times in recent history. This figure does not take into account the thousands of non-rebated product sales spurred by the program, which anecdotal reports suggest total many more millions. All told, 860 HVAC contractors and 580 retail storefronts across the state

Illinois SEEARP by the Numbers

Duration: Jan 31 – Sept 24, 2010

Total Rebates: 81,199

Sales Generated: \$99,053,250

Rebate Funds: \$12,530,756

ARRA Funds: \$11,674,264

IL DCEO Funds: \$856,492

Sales to Rebates Ratio: 7.905

Administration Costs: \$1,092,641

Percent Admin: 8.104%

(Funds used for program administration including rebate processing, marketing, management - anything other than rebates)

Projected Lifetime Energy

Savings: 1,463 billion Btu

Greenhouse Gas Savings Equivalents:

- Eliminating electricity and natural gas use in **9,337 homes** for one year – OR –
- Removing **20,977 cars** from the road for one year

offered rebates on behalf of the program and were reimbursed for rebates 2–4 weeks after submitting the required documentation.

The public responded strongly to IL SEEARP. Interest and awareness built throughout each of the phases, resulting in the program’s capstone moment on the concluding day, when \$3.15 million rebates and \$23.4 million in sales from rebated appliances occurred in just 2 ½ hours.

Rebate Details

The rebate results from the program’s three phases are outlined below. Phases One and Two were administered through water heater retailers and HVAC contractors, respectively.

Phase One: Water Heater Rebates, January 31 – February 21, 2010

Product	Units Rebated	Specification	Rebate Amount
Electric Heat Pump Water Heater	21	ENERGY STAR® qualified	25% of purchase price
Gas/Propane Storage Water Heater	3,256		
Gas/Propane Tankless Water Heater	221		

Phase Two: HVAC Equipment Rebates, January 31 – April 5, 2010

Product	Units Rebated	Specification	Rebate Amount
Air Source Heat Pump	566	SEER ≥ 16	\$1,000
Central Air Conditioner	1,649	SEER ≥ 16	\$500
Gas Boiler	236	AFUE ≥ 90%	\$1,200
Gas Furnace	4,658	AFUE ≥ 95%	\$350
Propane Furnace	328	AFUE ≥ 95%	\$350

Phase Three was delivered through participating retailers, many of which provided their own discounts on top of the SEEARP rebate to draw in customers and increase sales. During the April rebate day, additional state funds earmarked for energy efficiency were released by DCEO to provide funding to keep the program operating until 7 p.m. The September sale ended early in the day after the final rebate funds had been exhausted.

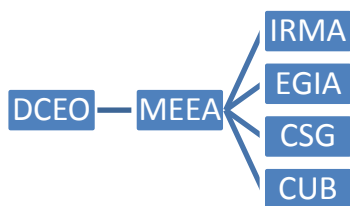
Phase Three: Appliance Rebates, 8 a.m.–7 p.m. April 16, 2010 and 8 a.m.–10:30 a.m. Sept. 24, 2010

Product	Units Rebated	Specification	Rebate Amount
Clothes Washer	15,183	ENERGY STAR®	15% of purchase price, capped at \$400 4/15 or \$250 9/24
Dishwasher	16,958		
Freezer*	2,443		
Refrigerator*	25,685		
Room Air Conditioner	532		

*Customers purchasing a rebated freezer or refrigerator on April 16 were also eligible for an additional mail-in rebate of \$75 if they provided proof of their old unit being removed from their home. 9,465 of these mail-in rebates were granted.

Leveraging Local Expertise

Recognizing that gaining the trust of retailers and contractors was vital for the success of the program, IL SEEARP engaged these companies through groups they were already familiar with: Illinois Retail Merchants Association (IRMA), Conservation Services Group (CSG), and the Participating Energy Efficiency Contractor (PEEC) Network (managed by MEEA), each of which performed outreach and recruitment. Citizens Utility Board (CUB) was enlisted to carry out statewide consumer outreach and staff the program’s call-center. Rounding out the team, Electric Gas Industries Association (EGIA) functioned as the program’s rebate processor.



The success of IL SEEARP is due in no small part to the team’s dedication and expertise; indeed each partner’s contribution was invaluable to achieving the program’s goals. Through coordinated outreach efforts and effective utilization of the collective marketing strength of over a thousand participating HVAC contractors and appliance retailers, the team was able to pique interest in not just rebates but energy efficiency as a whole. As such, IL SEEARP’s legacy will extend beyond the 1,463 billion Btu projected lifetime energy savings to an increased awareness of ENERGY STAR and consumer interest in energy efficient products in Illinois.

For More Information

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