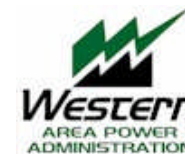
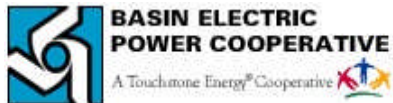


Heat Pump Program Strategies



Hosted by  *Montana Electric Cooperatives' Association*



DSM Strategies

- **Energy Efficiency:** Reduce energy use overall
- **Peak Load Reduction:** Reduce peak load consumption
- **Load Shifting:** Move load to cheaper times
- **Load Building:** Increase consumption to off-peak hours or increase overall consumption

Key Definitions of DSM Terms

- **Demand Side Management (DSM)** - an attempt by utilities to reduce customers' demand for electricity or energy by encouraging efficiency.⁽¹⁾
- **Integrated resource planning (IRP)** - a planning process for electric utilities that evaluates many different options for meeting future electricity demands and selects the optimal mix of resources that minimizes the cost of electricity supply while meeting reliability needs and other objectives ⁽²⁾

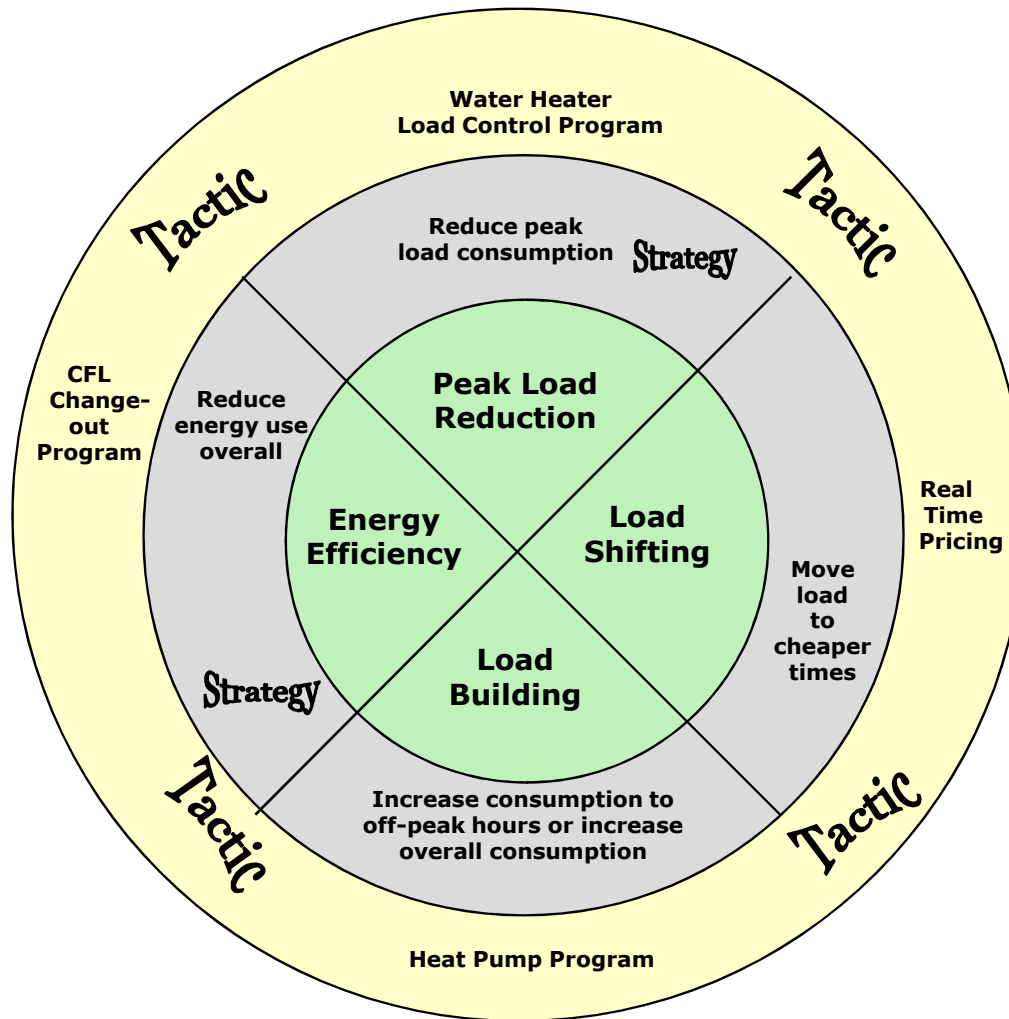
(1) National Resources Defense Council

(2) ACEEE

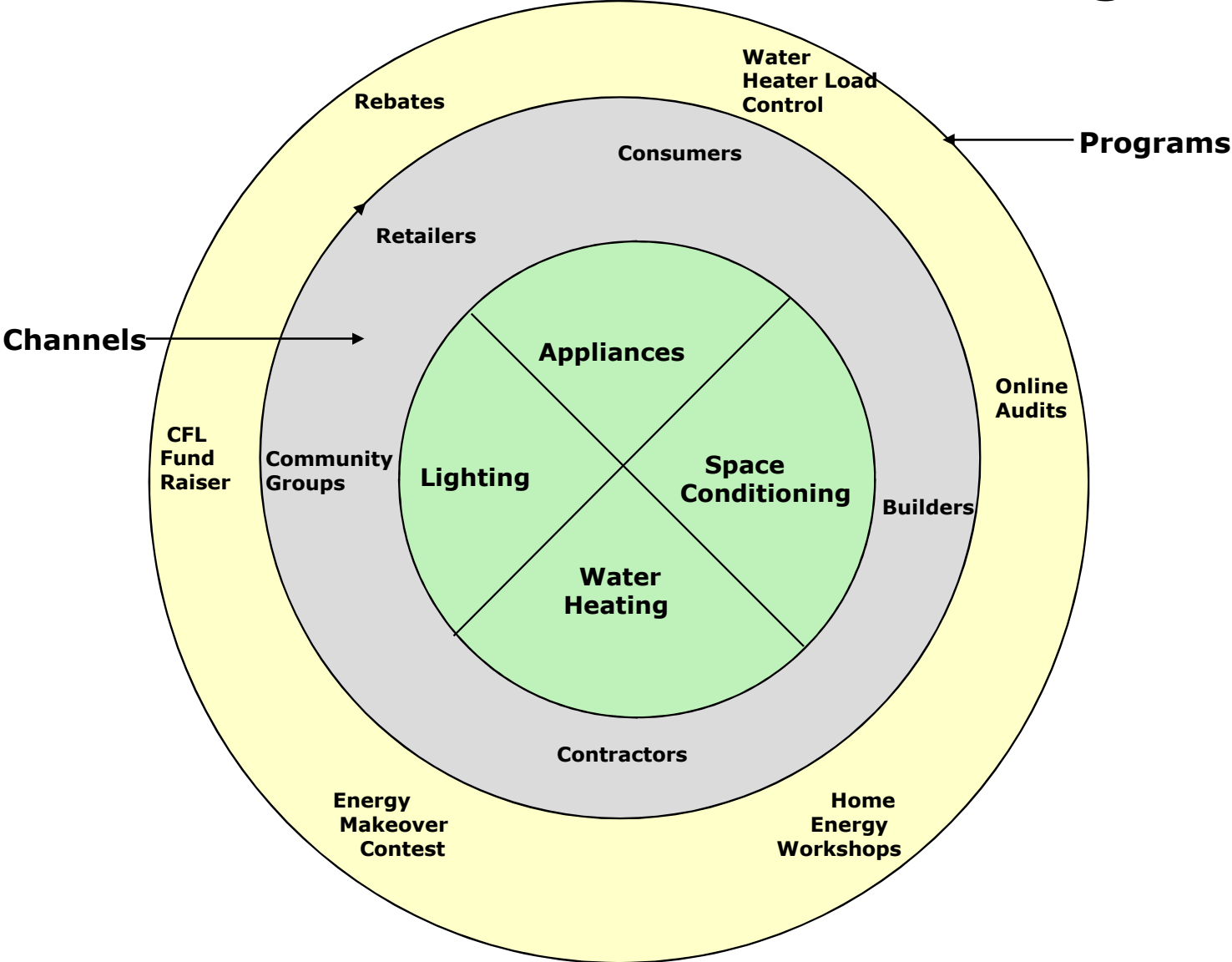
The DSM Planning Process

1. Identify load objectives
2. Identify sectors, end-uses and efficiency measures to target
3. Understand the market for targeted sectors and measures
4. Develop program designs
5. Conduct cost-effectiveness screening
6. Prepare an implementation plan
7. Implement programs
8. Evaluate programs

How Load Strategies Link to Program Tactics



How End Uses & Channels Link to Programs



Utility Participation

Range of Utility Activities/Responsibilities

Maximum

Own the technology

Install units

Install loops

Ongoing rate incentives

Unit financing (leasing)

Cash incentives (rebates)

Dealer/builder marketing

Active consumer marketing

Passive consumer education

Minimum



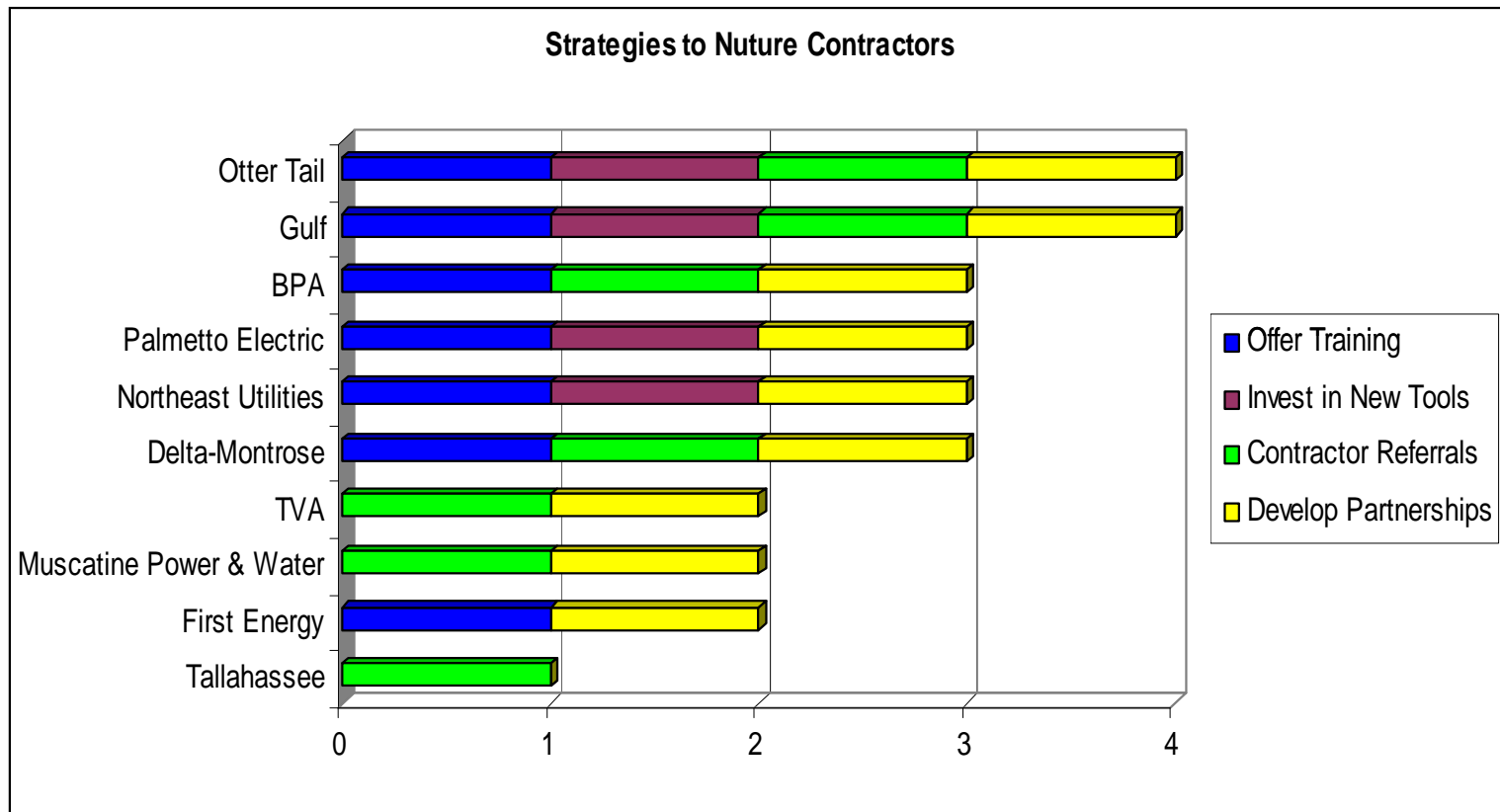
Successful Heat Pump Program Tactics

- HVAC Contractor Alliance
- Customer Case Studies and Testimonials
- Brochures and Newspaper Inserts
- Workshops and Seminars
- Builder and Developer Outreach

Best Practices- Program Characteristics

Utility	Contractor	Experience	Patience	Vision
Muscatine Power and Water	1	1	1	1
Gulf	1	1	1	1
Otter Tail	1	1	1	1
Plumas- Sierra	1	1	1	1
Delta-Montrose	1	1	1	1
Northeast Utilities	1	1	1	1
First Energy	1	1	1	
Yellowstone Valley	1	1	1	
TVA	1	1	1	
BPA	1		1	
Palmetto Electric	1	1	1	
Tallahassee			1	

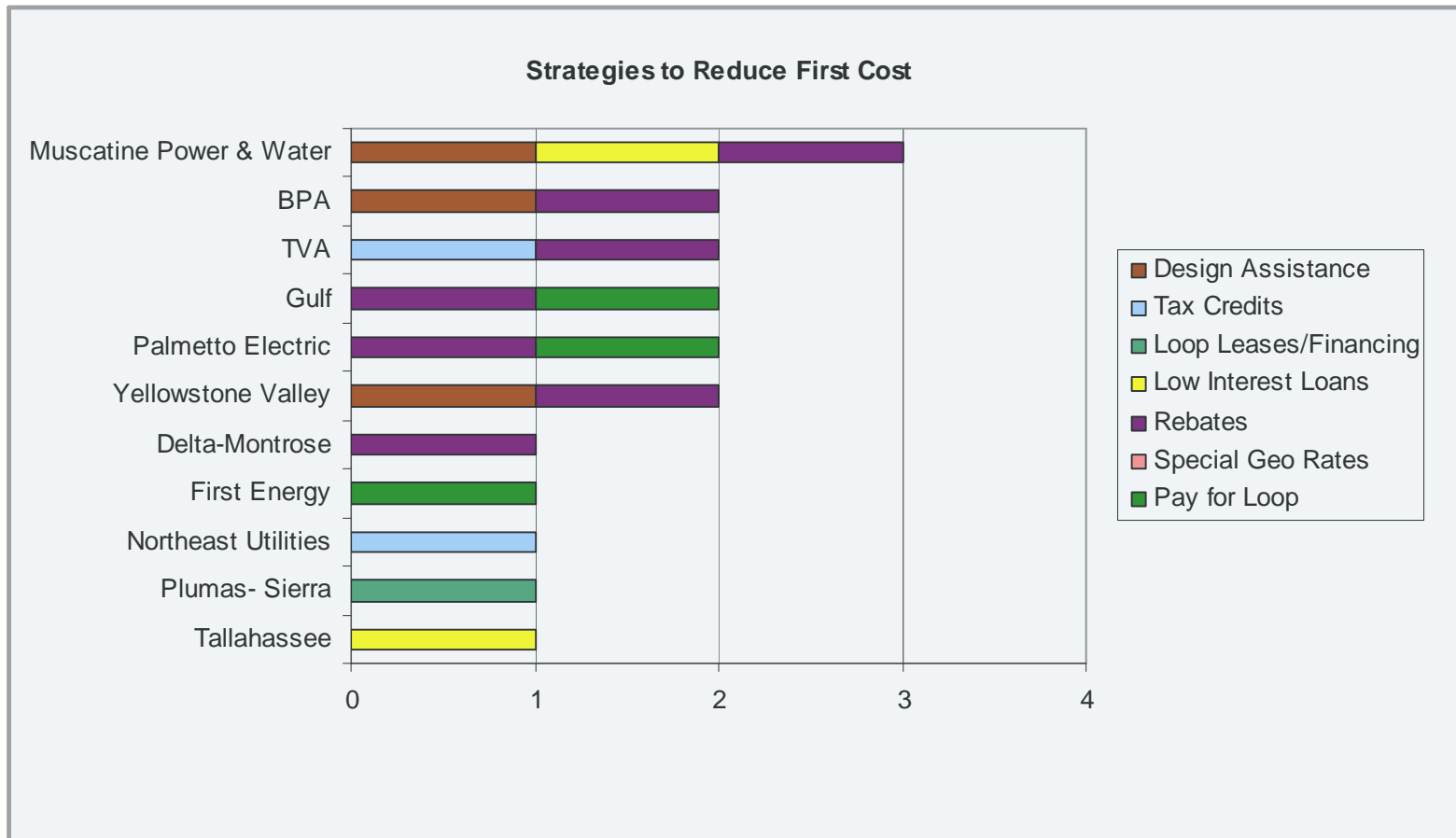
“Best Practices” To Nurture Contractor Development



Best Practices – Marketing Approaches

- Strategies to Reduce the First Cost Barrier
 - Loop leases, rebates, loans, “geo” rates
- Nurture Contractor Development
 - Training, tools, partnerships, referrals
- Create and Generate Enthusiasm
 - “Walk the Walk”
 - Create a “Geo Culture”
 - Showcase high profile installations

Best Practices: Reduce First Cost



Best Practices: Creating Enthusiasm

