

Enervee Comments

To: NJ BPU

From: Anne Arquit Niederberger, Enervee

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Subject: New Jersey IRA Rebate Programs

Enervee is a climate technology company operating across the country, in partnership with State agencies and utility companies. In response to the NJ BPU call for public input on the federal Inflation Reduction Act Home Efficiency Rebate (HOMES) and Home Electrification and Appliance Rebates (HEEHR) formula funding, we would like to provide thoughts on: 1) integration of the HEEHR program with existing energy efficiency and low- and moderate-income programs, based on our experiences in New York and California, with a focus on what we are doing with the State of New York¹; 2) serving tenants in multi-family buildings in low-income communities; and 3) the opportunity to ensure efficient delivery of HEAR with respect to income verification, outreach and customer experience by leveraging the online retail channel.

Our NY Marketplace taps into natural replacement cycles and eliminates barriers to energy-efficient one-off appliance purchases made at retail by both homeowners and renters, across all housing types. Enervee has developed and deployed Eco Financing to eliminate financial barriers, and our turnkey software platform also enables integration of all available point-of-sale (POS) instant incentives, or financing incentives, such as interest rate buy-downs. As a result of effectively overcoming financial barriers, the program is demonstrating its ability to reach traditionally underserved customer segments to drive equitable outcomes.

Enervee therefore recommends launching a statewide NJ Marketplace as an online retail channel for the HEAR point-of-sale rebates, for the following reasons:

- **Opportunity for a quick start.** A NJ Marketplace can be launched in less than two months, with Enervee's proven technology, to deliver HEAR incentives at the online point-of-sale, while meeting DOE requirements.

¹ [Enervee NY Marketplace Launched](#)

- **NJ Marketplace for All.** While the HEAR incentives are for income-qualified households only, a NJ Marketplace offers benefits for all New Jerseyans. This includes the zero to 100 [Enervee Score](#) on every product model, which has been proven to help shoppers choose the most energy efficient products that meet their needs². It also includes the ability to tag products that qualify for Federal tax credits, so shoppers who pay taxes can take that information into account when making buying decisions. And those who don't qualify for HEAR can still take advantage of other incentives and Eco Financing to make efficient purchases affordable. Thus the NY Marketplace can benefit all New Jerseyans and have a greater impact than a program limited to HEAR alone.
- **Demonstrated high DAC/renter/LMI participation.** The equity outcomes from existing deployments are compelling³. NY Marketplace program data show a level of disadvantaged community participation that exceeds the state's market share of 35%, even without targeted marketing. Data from our statewide marketplaces in CA and NY show that this channel can successfully serve tenants in multi-family buildings in low-income communities. Despite the commonly held belief that tenants generally don't purchase large appliances that cost hundreds to thousands of dollars themselves, we have found that the share of Eco Financing loans going to renters is identical to the aggregate share of appliances in the installed base in rental properties⁴.
- **Complement HEAR incentives with financing.** Lack of access to capital is an important barrier, so making affordable financing available instantly at the point of sale is a critical complement to HEAR rebates. Even if the retail price of an eligible device were to be halved, many consumers would still struggle to cover the remainder of the up-front purchase price, particularly in an emergency replacement context common for LMI consumers. Enervee is demonstrating great success via the NY Marketplace with our online retail Eco Financing loan product empowering traditionally underserved consumer segments to buy highly efficient products on their own with affordable monthly payments. In our work with NYSERDA, we are finding that financing is critical for many income-constrained consumers to make energy-efficient purchases that cut energy bills over the lifetime of the product, even when instant POS rebates are available.
- **Proven ability to transform markets.** Enervee's marketplace platform serves as a digital hub to engage various market actors to break down barriers, transform markets and drive equity outcomes. The availability of HEAR funding will be a catalyst to expand existing partnerships with private lenders, retailers, manufacturers, and

² [Empowered Consumers. Claimable Savings.](#)

³ [Efficient Shopping for All: Achieving Climate Goals with Online Retail Eco Financing](#)

⁴ [Renter \(Mis\)perceptions](#)

contractors – in NJ and across the country – setting a NJ Marketplace up for increased impact. Perhaps even more importantly, however, the program will maintain its effectiveness after the HEAR rebate program ends, not the least because of the continued availability and impact of the [Enervee Score](#) and [Eco Financing](#).

- **Impact beyond HEAR rebates.** The HEAR program offers product rebates on four categories (electric cooking appliances and heat pump clothes dryers, water heaters and HVAC equipment), while Enervee’s marketplace platform features dozens of energy saving consumer product categories, as well as solar, storage and EV charger installation concierge services. Offering consumers a comprehensive buying experience will reduce friction and drive conversions. It also substantially increases access to in market online shoppers because 80% of consumers begin their shopping research online. A NJ Marketplace can also support point-of-sale enrollment of flexible load devices in demand response and managed charging programs, contributing to the growth of virtual power plants.
- **Existing program integrations.** A statewide NJ Marketplace can be readily integrated with relevant existing programs designed to drive LMI/DAC participation, such as Comfort Partners. In NY, for example, the NY Marketplace is integrated with the EmPower+ no-cost direct-install program, which allows participants to shop on the marketplace to select the appliance of their choice and schedule delivery and installation services with our retail partners. An online marketplace with Eco Financing – with a focus on empowering consumers to make better 1-off appliance purchases when something needs to be replaced in a hurry – is a perfect complement to Comfort Partners.
The platform is also designed to stack all available incentives, be they from utility energy efficiency or demand response programs, state electrification programs or our manufacturer and retail partners. In addition, a NJ Marketplace should contain an integrated rooftop solar, storage and EV charger purchase and installation concierge service, creating a 1-stop online marketplace experience for clean energy purchases and financing.
- **Complement existing utility marketplaces.** A central statewide marketplace to channel HEAR rebates and offer financing on a wide range of product categories could coexist with the existing BPU-mandated online stores offered by NJ utilities. Co-branding, utility marketing partnerships, and cross promotion could expand benefits for New Jerseyans. The Enervee platform has co-existed with utility stores in a number of jurisdictions. Ideally, a statewide NJ Marketplace would be utility co-branded; in addition, custom utility-branded sites can be made available.

Finally, we would like to call out the opportunity to ensure efficient delivery of HEAR with respect to income verification, outreach and customer experience by channeling rebates

through a statewide NJ Marketplace and how important it is to design with consumers in mind. A recent study undertaken by Opinion Dynamics to assist program planners and third-party implementers in developing more effective residential offerings for customers made a number of pertinent recommendations, including:

- Capture customer attention when they're in the market for equipment replacement.
- Prioritize investments in search engine marketing to reach customers in the market for new equipment.
- Address the cost barrier with incentives and/or financing. The study also pointed out that program awareness is relatively high in the residential market, but participation is low – partly because incentives are not high enough for customers to afford equipment or the equipment customers need is not covered by programs. Hence, the need for financing.
- Address the “hassle factor”.

The study also emphasized that the types of customers not participating in existing programs are often renters, hard-to-reach, located in disadvantaged communities, or low-to-moderate income – exactly the consumer segments being targeted by HEAR. These key takeaways underscore the importance of, and opportunity to leverage the online retail channel for the HEAR program⁵; online retail already accounts for half of all major domestic appliance purchases⁶.

We are in regular contact with the Department of Energy (DOE) and the Pacific Northwest National Lab to work out technical and administrative details related to HEAR verification and data reporting requirements that would allow us to support real-time point-of-sale rebates for DIY purchases (similar to the instant rebates we already do for utility programs). We envision being able to: 1) instantly verify consumers making online retail purchases, 2) submit eligibility verification to DOE on behalf of the consumer, 3) apply the rebate coupon at checkout, and then 4) submit the redeemed coupon to the State's third party backend for reimbursement.

We therefore strongly recommend using a statewide NJ Marketplace as a primary delivery channel for the HEAR rebates. From a strategic perspective, this would tee up synergy with the Greenhouse Gas Reduction Fund, should the New Jersey Economic Development Authority choose to use funds anticipated to be available via the National Clean Investment Fund and Solar for All to support statewide Eco Financing to ensure the most favorable terms and inclusive Eco Financing lending program available.

Thank you for the opportunity to share our thoughts. Enervee looks forward to working with the State of New Jersey to rapidly advance an equitable clean energy transition.

⁵ [Enervee online marketplaces fill gaps identified by California energy efficiency study](#)

⁶ [statista.com/outlook/cmo/household-appliances/major-appliances/united-states#analyst-opinion](https://www.statista.com/outlook/cmo/household-appliances/major-appliances/united-states#analyst-opinion)