

ANNEX XX

BRANDING OF ENERGY EFFICIENCY

1 DESCRIPTION OF TECHNICAL SECTOR: DEFINITIONS

a) Description of Technical Sector

It has been well acknowledged that energy efficiency has huge potential in the areas of energy security, keeping energy prices in check and reducing GHG emissions. This potential exists in small quantities in several areas with large number of users. In most of the countries various Government driven policies and programmes targeting different sectors such as appliances, buildings, industries, have been initiated. However, it has been experienced that the Government driven efforts alone, are not sufficient to target and achieve the potential of savings through energy efficiency. These are needed to be backed with significant market based efforts and to develop markets for any product or service, it is important to create brand value for the same.

Branding of a product/service by its nature creates 'pull' in the market which assists in wide scale deployment of the product/service. Historically, sales pitch for any EE products or services has been some variant of 'Save Money - Save Planet' cliché. Further, EE has not been able to excite people by creating brands which would bring lifestyle tag to energy efficiency, similar to that for organic food. This failure of energy efficiency assumes even more significance when we note that EE has significant positive economic impact. Given this background, Branding of Energy Efficiency (Task XX) has been initiated in order to develop comprehensive framework, which could be used by the government and industry to develop the market for energy efficient products. This task will throw light on the rather poor state of energy efficiency branding, which holds significant promise of transforming the market. The proposed task is also expected to develop understanding of barriers associated with branding of energy efficiency, and strategies to overcome those barriers. This task has been proposed with the belief that it should be possible to reverse the fortune of the energy efficiency products and services, if successful branding is achieved. Branding of Energy Efficiency products and services would increase their visibility and credibility.

b) Definitions

Task Experts

Each Participant in Task XX (i.e. Country) nominates one or more persons as its Task Expert. Task Experts contribute their knowledge to the progress of the Task and are responsible for carrying out any research work within their country which is required for

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the Task. A Participant may nominate more than one Task Expert, each with different knowledge and/or skills relevant to Task XX.

Expert Meetings

All the Task Experts meet regularly at Expert Meetings to review and assess the progress of the work completed by the Operating Agent and by the group of Task Experts.

2 OBJECTIVES

The Primary Objective of this Task would be to understand reasons for absence of energy efficiency brands and to develop appropriate strategies for the Governments to direct their efforts so as to create marketplace suitable for energy efficiency brands thereby evolving Comprehensive framework for Market Transformation by carrying out research in the following areas:

- To identify and analyze various offerings in EE marketplace and their successes and failures;
- To understand knowledge and attitude of consumers towards energy efficiency;
- To understand issues associated with energy efficiency in developing countries;
- To identify best practices in definition of suppliers of energy efficiency products and services;
- To identify the potential for programmatic approach towards energy efficiency;
- To identify the barriers to branding of energy efficiency;
- To assess Government's role in promoting comprehensive framework for market transformation

3 MEANS

The Work plan for the Branding of Energy Efficiency Task comprises of following six Subtasks:

- Subtask I: Energy Efficiency Offering Analysis
- Subtask II: Energy Efficiency Consumer Analysis
- Subtask III: Assessment of relationship between EE product pricing and maturity of electricity market
- Subtask IV: Review of branding strategies in similar areas
- Subtask V: Identification of Best Practices in Branding of EE
- Subtask VI: Communication and Outreach

3.1 Subtask I: Energy Efficiency Offering Analysis

Subtask Objective

This sub task aims to develop an understanding of the four energy efficiency offerings i.e. Products, Services, Programs and Companies. The Sub-task will attempt to identify drivers behind such offerings.

Activities to be carried out:

As a part of this sub task, a survey of energy efficiency offerings in participating country will be undertaken by the Operating Agent with the help of Country Expert. Specifically, country experts will assist OA in undertaking research in the following aspects of the consumer offerings: identify products offering with EE attributes; assess technological maturity of the EE product, identify best practice in definition of products and services; identify other aspects amenable to energy efficiency; identify services/programs serving EE attributes; identify barriers experienced in successful branding effort; identify special needs of developing countries and identify inter-linkages between EE offerings.

Once all the information is collected, the OA will carry out detailed analysis of the data in order to identify mainly primary drivers for each of the offerings, inter linkages with programmes, energy efficiency index, and identification of barriers for deployment and success and failure stories for further analysis. Based on the result of the analysis, the OA will summarise the results of energy efficiency product analysis and various other important aspects of energy efficiency value chain.

3.2 Subtask II: Energy Efficiency Consumer Analysis

Subtask Objective

To collect and analyse data on consumers' attitude towards the products and services available in the market

Activities to be carried out

As a part of this sub-task, survey of consumers in all countries participating in the Task was proposed. However, during the course of discussions, a few participants expressed that surveys may be too expensive. Further, it was informed that many countries carry out such surveys at regular interval which the Task may make use of instead of carrying out fresh surveys. The participating countries may chose to conduct a fresh survey or collect existing surveys for further review.

The Country Experts in consultation with the OA will undertake the following activities: carry out survey of consumers to collect data on consumers' attitude towards the products

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and services/review results of existing survey undertaken in participating countries, identify market segments favourable for EE products and services, identify potential for branding within market segments, identify market segment which may look forward to EE as a lifestyle choice, understand the consumers perspective regarding adoption of EE given the cost/benefit analysis of the offerings available in the market, to identify non monetary costs that render the EE behaviours unviable.

3.3 Assessment of relationship between EE products pricing and maturity of electricity market

Subtask Objective

To identify the relationship between the EE offerings and maturity of the electricity market and to establish empirical relationship, if any, between electricity price and energy efficiency pricing

Activities to be carried out

It is an established fact that overall marketplace has significant impact on the success and failure of products and services. Drivers to energy efficiency change significantly with the level of competition in the market. While competitive markets may expect pricing to influence purchasing decisions related to EE products and services, less competitive markets like India will require significant government involvement in development of market for energy efficient products. On many occasions products and services launched 'ahead of time' have experienced failures on account of under-developed market. Hence, a survey and analysis of market place for energy efficiency products and services in around ten to twelve countries including participating countries with different level of market maturity would be undertaken by the OA with the help of Country Experts. Data on competition in the market, electricity prices, EE Offerings, EE Pricing and fiscal and financial interventions will be collected. Based on the results of the survey, the OA will carry out comparative analysis and identify the relationship between the products offering and the maturity of the electricity market.

3.4 Review of Branding Strategies in Similar Areas

Subtask Objective

To identify the products and services, similar in nature to "energy efficiency" and learn from the strategies deployed by them during early period of their life cycle.

Activities to be carried out

Currently, energy efficiency products and services are at nascent stage of development. Several products such as electricity, organic food, etc and services such as banking, insurance, etc would have passed through this phase during their development. It may be possible to learn from strategies employed by these products and services during early period in their life cycles.

This sub task will identify lessons to be learnt from other sectors which may be helpful for developing 'Comprehensive Framework for Market Transformation in Energy Efficiency'. The Country experts will identify 3-4 case studies which in their opinion have some useful lessons for the proposed task. These case studies may be selected in consultation with local branding/ communication consultant. It is not required the case studies are specific to the participant country. It is important to note that the material for the case study should be readily available as intention is not to develop the case studies. The Operating Agent will carry out comparative analysis of the proposed 10-12 case studies. On the basis of relevance to task and data availability, some of the case studies will be shortlisted for further analysis.

3.5 Identification of Best Practice in Branding Energy Efficiency

Subtask Objective

To identify Case Studies and develop best practices in branding of energy efficiency and to identify role of enablers such as institutional structures and government support in development of successful branding strategies

Activities to be carried out

In this sub-task, survey of successful efforts in branding of energy efficiency in the participating counties as well as other countries will be undertaken. In this regard, OA will develop questionnaire and circulate the same to all the participating country experts for the development of Case Studies. The Country Expert will carry out survey in their respective country to identify successful efforts undertaken for the development of programme related to branding of energy efficiency. Based on the analysis of the collected information, the Operating Agent will prepare detailed Case Studies on the various efforts taken by participating countries as well as other countries in the area of branding of energy efficiency.

For the development of best practice, the Country Expert in consultation with OA will undertake following activities in four aspects: synthesize information collected during subtask- I & II, identify successful instances of branding in energy efficiency across the globe, understand business enablers for branding, identify best practice for various

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aspects of branding, identify inter linkages for different aspects of branding and identify role of institutional structures and government support in development of successful branding and identify key lessons which may be adopted in development of successful branding strategies.

The country experts will identify instances which in their opinion are successful in branding of energy efficiency. The Operating Agent will carry out comparative analysis of the proposed 5-6 instances of branding. The formats for data collection will be developed by the Operating Agent and the data collected exercise will be undertaken by the country experts.

3.6 *Communication & Outreach*

Subtask Objective

To identify and engage various stakeholders to communicate and disseminate information about the branding efforts in different areas of Energy Efficiency

Activities to be carried out

In this sub-task, the OA with the help of Country Experts will identify and engage various stakeholders in order to communicate information about the branding efforts in different areas energy efficiency. Information dissemination would be carried out by preparing four Task Newsletters every six months. Further, four regional workshops will be organised to discuss various regional branding efforts.

4 RESULTS

The following deliverables will be developed in the Task XX. Further details about each of these deliverables will be made available as the work of the Task is progressively completed.

Subtask 1: Energy Efficiency Offerings Analysis

- A Report summarising the results of energy efficiency offering analysis and inter-linkages between different types of offerings

Subtask 2: Energy Efficiency Consumer Analysis

- A Report summarising the results of Energy Efficiency Consumer Analysis

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Subtask 3: Assessment of relationship between EE products pricing and maturity of electricity market

- A Report summarising the 'Relationship between market of EE products and maturity of electricity market'

Subtask 4: Review of Branding Strategies in Similar Areas

- A Report on 'Lessons from other sectors for development of Comprehensive Framework for Market Transformation in Energy Efficiency'

Subtask 5: Identification of Best Practice in Branding EE

- A report on 'Best practices in branding of energy efficiency'

Subtask 6: Communication and Outreach

- Information dissemination would be carried out by preparing four Task Newsletters every six months. Further, four regional workshops will be organised to discuss various regional branding efforts.

5 TIME SCHEDULE

This task has commenced on October 2009 and will remain in force until October 2011. This Annex will remain in force during the same period.

6 RESPONSIBILITIES OF THE OPERATING AGENT

The Responsibility of the Operating Agent shall be as under:

- Manage and coordinate the successful completion of the Task XX Subtasks and the work of the different Task Experts in accordance with the Task XX Work Plan;
- Provide semi-annual reports to the Executive Committee on the progress and results of the Work performed under the Task XX Work Plan;
- Provide to the Executive Committee within three months after completion of all work under the Task XX Work Plan, a Final Management Report for its approval;
- Use its best efforts, in collaboration with the Participants, to avoid duplication with activities of other related programmes and projects implemented by, or under the auspices of the Agency of by other bodies;
- Market and disseminate information about Task XX to raise and maintain interest in, and understanding of, the Task and the IEA DSM Programme;

7 RESPONSIBILITIES OF THE TASK EXPERTS

Each Task Expert shall:

- Undertake about two person months of work during 24 months period of Task XX;
- Contribute their knowledge to the progress of Task XX;
- Carry out any research work within their country which is required for Task XX;
- Where participation in Task XX involves several organisations in their country, coordinate contribution by these organisations to the work of Task XX;
- Attend up to four Experts Meeting and participate actively in these meetings;
- Analyse and comment on draft versions of work carried out by the Operating Agent and other Task Experts;
- Comment on draft version of Task Status Reports and the Final Management Report;
- Contribute to organising regional workshops held in their region, including organising an appropriate venue and inviting potential workshop participants;
- At the conclusion of Task XX, write a memorandum to the Operating Agent describing and analysing lessons from their country's participation in Task XX;

8 MEETINGS

Expert Meetings will be held up to four times during the 24 months duration of Task XX on a rotational basis in one of the countries participating in Task XX.

9 FUNDING

The Task XX Budget is set at **330400 €**. This amount will fund the Operating Agent's labour and expenses in managing and coordinating the successful completion of the Task XX Subtasks and in accomplishing its other obligations as Operating Agent.

Each Participant in Task XX will contribute an equal share of the Task XX Budget.

If the number of Participants changes, the value of each Participants' share of the Task XX Budget will be adjusted accordingly by the Executive Committee, acting by unanimity of the Participants in Task XX. New Participants shall pay a full equal share of the Task XX Budget.

The Operating Agent shall send invoices to the Participants at the commencement of the Task and twelve months after the commencement. Payments from each Participant must be received by the Operating Agent no later than 60 days after the Participant's receipt of the Operating Agent's invoice.

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If necessary, an increase in Task XX Budget may be agreed upon by the Executive Committee, acting by unanimity of the Participants in Task XX.

In addition to its share of the Task XX Budget, each Participant shall bear all the costs of its own participation in Task XX, and the costs it incurs in carrying out its obligations under this Annex, including necessary travel costs.

10 INFORMATION AND INTELLECTUAL PROPERTY

The Participants and the Operating Agent shall have the right to publish all information provided to, or arising from Task XX, except for proprietary information. This right will commence 12 months after the completion of Task XX.

11 OPERATING AGENT

Mr. Balawant Joshi, Director, ABPS Infrastructure Private Limited, is designated as an Operating Agent.

12 CONTRACTING PARTIES WHICH ARE PARTICIPANTS

The contracting parties in Task XX are the following:

India

Bureau of Energy Efficiency, Ministry of Power, Government of India

Spain

Red Electrica de Espana

United States

Lawrence Berkeley National Laboratory,

France

ADEME

Département Marchés et Services d'Efficacité Energétique,