

DOCKETED

Docket Number:	23-DECARB-01
Project Title:	Inflation Reduction Act Residential Energy Rebate Programs
TN #:	256729
Document Title:	Sean L. Conner Comments - Lowe's IRA Rebate Program Comments - California
Description:	N/A
Filer:	System
Organization:	Sean L. Conner
Submitter Role:	Other Interested Person
Submission Date:	6/6/2024 1:00:28 PM
Docketed Date:	6/6/2024

Comment Received From: Sean L. Conner
Submitted On: 6/6/2024
Docket Number: 23-DECARB-01

Lowe's IRA Rebate Program Comments - California

Additional submitted attachment is included below.



May 17, 2024

Mr. J. Andrew McAllister, Ph.D.
Commissioner
California Energy Commission
715 P Street
Sacramento, CA 95814

RE: Lowe's Comments on IRA Home Efficiency Rebates and Home Electrification and Appliance Rebates Implementation

Dear Commissioner McAllister,

Lowe's Companies, Inc. (Lowe's), respectfully submits the following comments to the California Energy Commission for consideration as your office works towards the implementation of the Inflation Reduction Act (IRA) Home Efficiency Rebates (HER) and Home Electrification and Appliance Rebates (HEAR) programs.

Based in Mooresville, N.C., Lowe's serves approximately 16 million customer transactions per week in the U.S. Lowe's had approximately \$86 billion of sales in the U.S. in fiscal year 2023, where Lowe's operates over 1,700 home improvement stores and employs approximately 300,000 associates. In California specifically, Lowe's operates 112 store locations, 16 other facilities, and employs approximately 17,139 associates.

Lowe's supports the communities it serves through programs focused on creating safe, affordable housing and helping to develop the next generation of skilled trade experts. Additionally, Lowe's takes pride in making homes better for all, and part of doing that is reducing our impact on the environment. In 2022 alone, the company helped customers acquire ENERGY STAR certified products that is estimated to save 17.4 million metric tons in greenhouse gas emissions over their lifetime. We expect this trend to significantly grow with the Home Energy Rebates as ENERGY STAR is required for the Electrification Rebates.

As the number one appliance retailer in the country, Lowe's is uniquely positioned as a valuable partner as demonstrated through our facilitation of approximately 600 instant rebate utility incentive programs across more than 30 states, including in California. Our experience working with utilities and rebate program implementers combined with our expertise in supply chain management and consumer marketing, situates Lowe's with a built-in opportunity to educate and inform constituents, consumers, and contractors about these rebate programs.

Through our Services and Installation Business, Lowe's PRO Supply, and PRO customers, we have a network of home improvement, construction, and property management professionals in our ecosystem. These professionals can leverage their expertise and reach within this space to support the successful implementation of energy rebate programs.

- **Program Design**

Lowe's supports state efforts to implement rebate programs that are accessible by providing point-of-sale rebates at retail locations. When considering program design and implementation, Lowe's supports rebate programs that are either integrated into existing state rebate and energy efficiency programs, or those that are newly created, to achieve the intended HEAR and HER goals. Lowe's supports state programs that provide retailers the opportunity to educate and bring awareness to these programs, as well as the opportunity to support both in-

store and online shopping experiences through a point-of-sale rebate offering. Providing constituents, contractors, program administrators and consultants with the optimal amount of flexibility will maximize the reach of state programs.

- **Retail Point of Sale Systems**

Lowe's supports the IRA's preference for point-of-sale rebates. Ensuring compatibility with retail point-of-sale systems to streamline coupon processing and simplify customer interactions will be a critical piece to the program's success. ***A point-of-sale rebate model should verify customers' eligibility and provide them with a coupon that demonstrates they are approved for a rebate by the state energy office prior to the time of sale.***

The U.S. Department of Energy and the Pacific Northwest National Laboratories (PNNL) are working towards the development of a common API tool that aims to streamline the process of customer eligibility verification and coupon issuance and acceptance within point-of-sale systems. The development of this tool brings several benefits to retailers with locations across the county, including consistency in operations, application process, in-store experiences, efficient barcode handling, and reduced operational challenges leading to a more seamless customer transaction. While we are still examining its feasibility, we have provided significant feedback in the hopes that it can reduce variation across states and allow for the implementation of the rebates within our point-of-sale systems.

We also recognize that some states may opt to process rebates through existing incentive programs that they plan to braid with the IRA rebates. ***Regardless of the method chosen, proactive communication with retailers throughout design and ahead of program launch is crucial to ensure that these programs and solutions are workable in our stores.*** Without significant collaboration with State Energy Offices and their chosen implementers, program implementation at the point-of-sale could be subject to delays for consumers.

- **Eligible Products and Program Benefits**

When considering program design, Lowe's strongly encourages state energy offices, across jurisdictions, to be consistent in offering the full rebate amounts for all eligible products under HEAR, wherever possible. This approach allows for broader participation and effective communication to our customers, associates, network of service providers and contractors about the availability of the rebate-eligible products at scale, lending to a smooth implementation and ultimately to program success.

We fully acknowledge that states may have different climates, energy efficiency priorities, and program goals that lead them to emphasize certain product categories and technologies. We understand that these preferences are often based on the unique energy profiles of each state and the potential for certain technologies to offer greater energy savings to customers. However, this does not require the limitation of products offered under the HEAR program. ***States can offer the full list of eligible products, providing consumers with a wide range of choices and associated benefits, while also choosing to highlight or emphasize product categories and technologies that they believe will be most effective in reaching their program goals.*** This approach ensures that while states focus on their specific priorities and goals, consumers still have access to the full benefits of the HEAR program.

- **Education and Marketing Successful Programs**

Clear information should be provided to consumers, retailers and contractors on which products are eligible for rebates. ***Educating home improvement retail employees and contractors at scale ensures they can effectively inform and guide customers on how to best utilize these programs, further enhancing consumer participation and program success.*** Materials should be made in print and digital formats and be made available in a multitude of languages.

They should include information on the program, the eligible technologies, their benefits, key resources, and next steps. States also should consider creating uniform ways to inform customers which items are eligible for a rebate in their state. Materials should also highlight the opportunities of each program and how a contractor could optimize them by strategically combining the rebates.

Additionally, it is important to consider the challenges that retailers like Lowe's face when there is significant variation in the eligible products and rebate amounts across different states. This variation can create confusion among consumers and make it difficult for us to effectively market these programs on a national scale. **Consistency in the eligible products and rebate amounts across states will not only simplify the marketing process but also ensure that consumers across the country have equal access to the benefits of these programs.**

- **Rebate Eligibility**

To enable a seamless customer experience, rebate eligibility should be easily verifiable before the customer arrives at a store, during their store visit or before making an online purchase. This will remove friction from the transaction, enabling the customer to take advantage of these programs while shopping.

Many consumers, particularly those in low-income brackets, use their smartphones as their primary device for accessing the internet. Therefore, **it is crucial that the verification process is not only simple but also mobile-device friendly.** This will ensure that consumers can easily check their eligibility on-the-go or even in-store, providing them with immediate clarity and certainty about their rebate eligibility status.

Additionally, the speed of verification is a critical factor, especially for customers learning about the rebates in real-time from our associates. It would be ideal for these customers to be able to verify their eligibility on their smartphones in the store before proceeding to checkout, without any delayed approval.

Simplicity and speed are particularly important when considering customers who are making purchases under duress. For instance, many customers do not replace certain appliances until they break. Under these circumstances, speed of replacement often becomes the primary concern, superseding factors such as cost or efficiency. In such situations, a speedy and simple verification process is crucial so as not to miss the opportunity to help these customers make efficiency upgrades in their homes. This real-time verification will support and encourage more customers to opt for energy-efficient purchases when and where it's needed most.

Furthermore, **the speed of verification is a critical factor, especially for customers learning about the rebates in real-time from our associates.** It would be ideal for these customers to be able to verify their eligibility on their smartphones in the store before proceeding to checkout, without any delayed approval.

- **Implementer Selection**

We encourage the choice of implementers with a proven track record and experience in complex program design. **It is important to work with implementers who have a history of effective collaboration with retailers and with existing rebate programs.** This collaboration facilitates marketing and program information dissemination for better engagement and enables the implementation of advanced technological solutions, including secure file transfer protocols and automation. These solutions ensure faster and more efficient rebate processing.

Implementers with field teams that can work directly with retailers are particularly valuable. They can facilitate effective marketing and program information dissemination for better engagement and identify stacking and braiding opportunities with other incentive

programs. These field teams provide invaluable support by offering training for retail associates and supplying in-store signage that can address state-specific program elements. This hands-on approach ensures that retailers are well-equipped to guide customers through the various state-specific incentive programs and amplify program education and information for continued success. This is particularly beneficial for national retailers, who face the challenge of training associates and marketing programs across state lines where there is significant variation among programs. By providing consistent training and clear, state-specific signage, field teams can help national retailers navigate these complexities and effectively promote the programs to customers. This support is seen in various incentive programs run by different implementers, such as utility incentive programs and other programs run by state energy offices.

We appreciate the opportunity to share Lowe's view on the implementation of these rebate programs and would welcome the opportunity to meet with your office to discuss them in further detail.

If you have questions or need additional information, please contact me at Sean.Conner@lowes.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean Conner". The signature is fluid and cursive, with the first name "Sean" and last name "Conner" clearly distinguishable.

Sean Conner
Director, Government Affairs
Lowe's Companies, Inc.