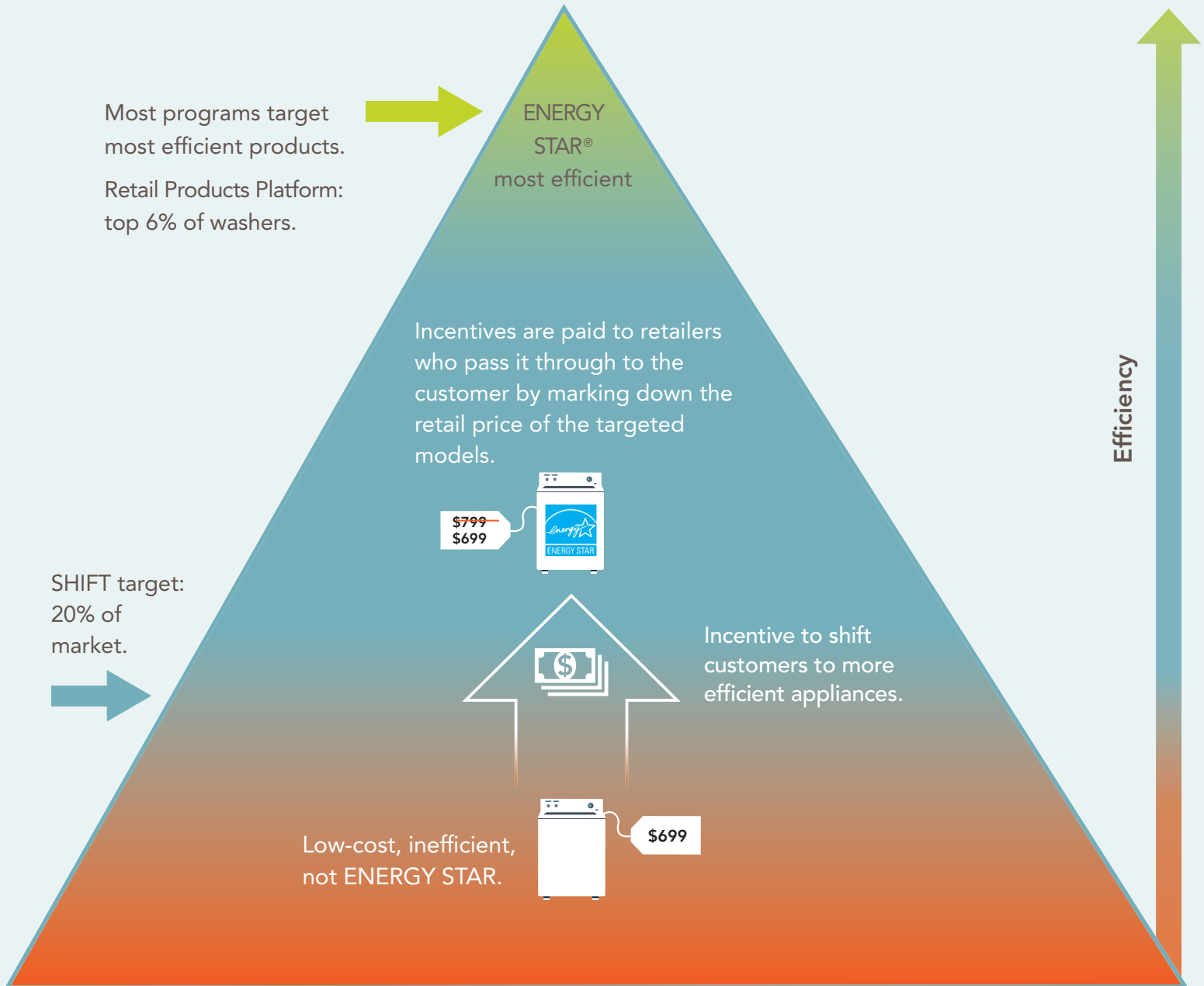


SHIFT Program

Targeted Efficiency for Everyone

Program Objective: Equitable access to efficient appliances



How SHIFT Works

1. Efficiency for Everyone is the administrator:
 - Obtains sales data from retailer
 - Identifies target baseline models
 - Identifies comparable ENERGY STAR models
 - Determines optimal incentive
 - Negotiates MOUs with retailers
2. SMUD provides midstream incentives
3. Efficiency for Everyone measures market lift



Target customer is one who purchases Opening Price Point appliances

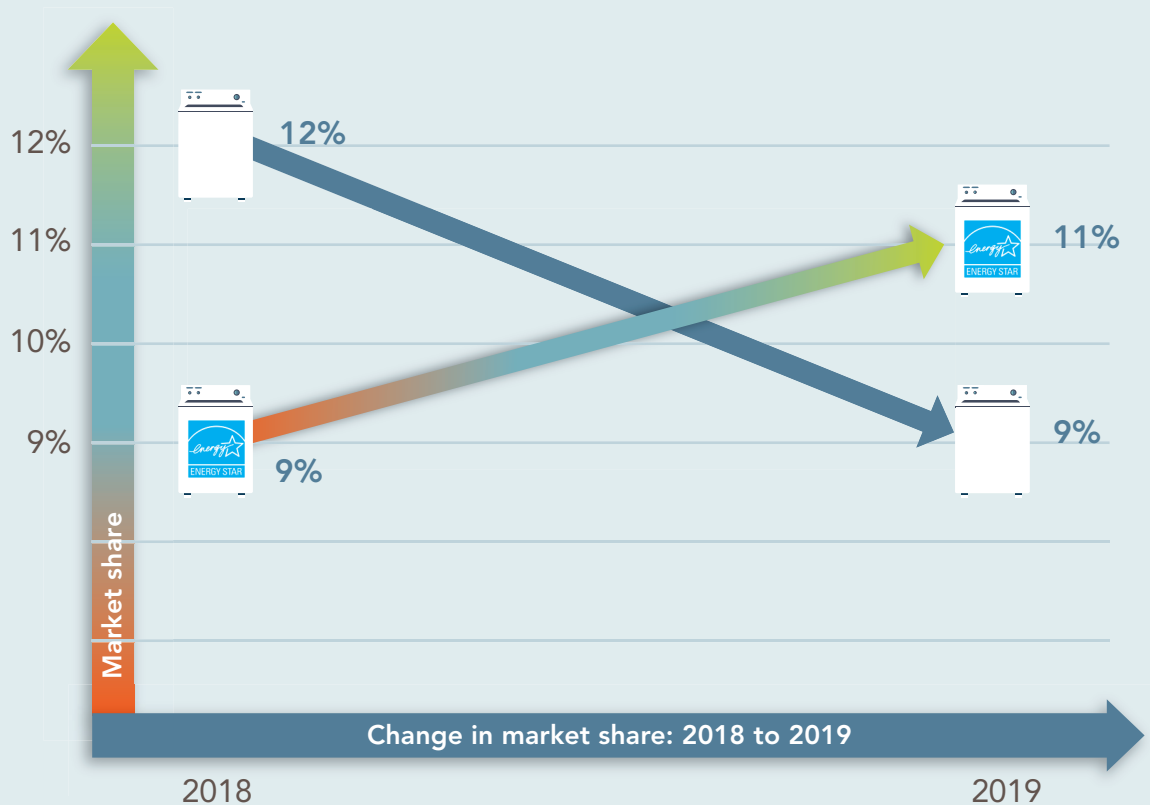
They are more likely to...

- Have lower median income
- Make trade offs to pay their utility bill
- Buy under duress – when previous appliance fails

Price is the **most important factor**

SHIFT model impacts

Opinion Dynamics' evaluation found statistically significant changes in market share of the baseline and incented models.



Shift retail promotions succeed when:

- Utility incentives are large enough
- Retail store managers are supportive
- Sales associates are trained
- POP is in place
- Incented models are placed near baseline models on the sales floor

Challenges:

- Supply chain, supply chain, supply chain
- Sales staff turnover
- Models discontinued
- Retailer requirements