

*Residential Lighting
Exemplary Program*

Northeast Regional ENERGY STAR® Lighting Program

Northeast Energy Efficiency Partnerships and its sponsors: Connecticut Light and Power (Northeast Utility Systems), The United Illuminating Company, NSTAR Electric, Massachusetts Electric Company (National Grid, USA), Narragansett Electric Company (National Grid, USA), Nantucket Electric Company (National Grid, USA), Western Massachusetts Electric Company (Northeast Utility Systems), Until/Fitchburg Gas and Electric, Cape Light Compact, Efficiency Vermont, and Long Island Power Authority

PROGRAM OVERVIEW

A consortium of electric and efficiency utilities and energy efficiency providers in the Northeast have successfully established an ENERGY STAR lighting program. The program is designed to support the development, introduction, sales, promotion, and use of ENERGY STAR-qualified residential lighting products. This program offers incentives for fixtures and screw-base lighting options and has had multiple program elements targeting residential consumers, builders and developers, and niche markets.

A primary component of the program features consumer rebates. The sponsors generally make rebate coupons available at retail locations where customers can find and use them at the cash register to get an instant discount for qualified products. Due to the market transformation effects of decreasing retail prices on these products, sponsors' incentives to customers have come down considerably. For example, from 1998 to 2002, the average retail cost for CFLs has decreased from \$20 to less than \$7 and rebate incentives have decreased from \$10 to \$3. Other components of the program include: (1) an integrated marketing campaign strategy that reduces cost through economies of scale across the region, provides message consistency, and builds consumer awareness of ENERGY STAR lighting technologies and their benefits; (2) catalogs produced by the sponsors promoting new lighting products and technologies; and (3) field support contractors that, among other functions, distribute point-of-purchase marketing materials to retailers and provide education and training on the program and products. The program also interacts with other utility programs including regional ENERGY STAR Homes and other Residential New Construction programs. This synergy allows further penetration of these products into the marketplace.

The Northeast Energy Efficiency Partnerships (NEEP) and the Consortium for Energy Efficiency (CEE) provided initial technical support and facilitation services to help in the development and implementation of this program. The sponsors continue to work with NEEP, CEE, and other organizations (such as PEARL, PNNL, EPA, and DOE) to encourage the manufacture and sale of more efficient, higher-quality ENERGY STAR-labeled lighting products. On an ongoing basis, NEEP convenes and facilitates the regional ENERGY STAR Lighting Working Group. This group co-administers the regional ENERGY STAR appliance programs.

PROGRAM PERFORMANCE

There have been many successes in the Northeast ENERGY STAR Lighting Program. For example, in 2001 alone, program sponsors provided incentives for more than 2,000,000 ENERGY STAR CFLs, 143,000 torchieres, and approximately 300,000 fixtures. This program has produced annual savings of more than 167 million kWh and \$20 million (assuming \$0.12 per kWh) for the customers it has served.

Additionally, major market transformation effects have occurred as a result of this program. Accomplishments since 1998 include:

- Spent over \$55 million in consumer lighting rebates, leveraging over \$180 million in ENERGY STAR lighting sales. The program provided approximately \$30 million in lighting rebates in 2001 and 2002 combined.
- Enlisted over 850 lighting retailers throughout New England and Long Island to participate in the regional initiative. The program supports these participating retailers through frequent visits by field support staff and the development and placement of high visibility program point-of-sales materials.
- Offered ENERGY STAR lighting sales training to ALL industry actors, including retail storeowners, sales staff, manufacturer representatives, management, buyers groups, distribution centers, and corporate contacts. The training is designed to motivate increased sales and promotion of ENERGY STAR lighting products.
- Spent an additional \$8 million on print, TV, and radio campaigns to promote ENERGY STAR bulbs and fixtures and to draw consumers to participating retailers. In 2000, 2001, and 2002, the program's marketing campaigns were awarded the ENERGY STAR *Excellence in Consumer Education Award* by the U.S. Environmental Protection Agency.
- Distributed over 17 million mail order catalogs promoting ENERGY STAR bulbs and fixtures. These catalogs complement the program's retailer-based sales and aid in new product introductions, as well as provide consumers with education on energy-efficient product benefits and availability.
- Coordinated sales and marketing efforts among retailers, manufacturers, lighting showrooms, and the initiative sponsors.
- Worked with manufacturers and retailers to implement several highly successful targeted promotional events, including over 60 torchiere turn-ins resulting in the purchase of over 225,000 ENERGY STAR torchieres.
- A decrease in the average price of basic, efficient CFLs available in the region from \$20 to less than \$7.
- The number of manufacturers producing ENERGY STAR-labeled CFLs has increased from 17 to over 120.
- The number of manufacturers producing ENERGY STAR-labeled lighting fixtures has increased from 12 to 81.
- A substantial increase in the number of qualifying CFL products from 140 to 1,049.
- A substantial increase in the number of qualifying fixture products from about 347 to 5,025.

LESSONS LEARNED

In 2002, program sponsors determined that market transformation had progressed to the point that new program approaches were necessary to continue the growth in sales of ENERGY STAR-qualified residential lighting. As a result, the ENERGY STAR Lighting Program has started to transition from constantly available rebate coupons to targeted, limited duration promotions designed and implemented in coordination with industry partners. In the fall of 2002, these new initiatives included product buy downs and manufacturer mail-in rebates, and a wider application of co-op advertising funds to retailers and manufacturers.

PROGRAM AT A GLANCE

Program Name: Northeast Regional ENERGY STAR Lighting Program

Targeted Customer Segments: Residential electric customers

Program Start Date: Fall 1998

Program Participants

2001: approximately 2.4 million (rebates)

Total (1999–2002): approximately 8.7 million (rebates)*

* Some participants may have applied for rebates more than once.

Approximate Eligible Population:
Approximately 5.2 million

Participation Rate: NA

Annual Energy Savings Achieved

2001: approximately 167 million kWh

Total (1999–2002): approximately 425 million kWh

Peak Demand (Summer) Savings Achieved (kW)

2001: approximately 13,000 kW

Total (1998–2002): approximately 33,000 kW

Budget

2001: approximately \$17 million.

No other budget data available.

Funding Sources: System Benefits Charge

Best Persons to Contact for Information about the Program

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