ENERGY STAR®. The simple choice for energy efficiency.

Building a Brighter Future through Partnership:

Bringing Efficient Lighting to Underserved Communities

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Opportunities for Efficiency Programs to Reach Underserved Customers

Over the course of the last ten years, ENERGY STAR® certified light-emitting diode (LED) bulbs have proven to be positive additions to utility efficiency programs and ratepayer homes alike. ENERGY STAR certified LED bulbs continue to gain market share, rising to 70% of all LED bulbs sold in 2017.[1] Despite this growth, the socket saturation of energy-efficient lighting indicates significant untapped potential. About 60% of residential light bulb sockets still contain inefficient bulbs (incandescent and halogens).[2]

Approximately 20-25% of all households that purchase "most" or "all" incandescent lighting earn $39,999 or less annually. That is two to five times the percentage of middle-to-high income households that purchase incandescent lighting.[3] Lower-income households also experience higher energy burdens and a lack of discretionary funds to invest in energy efficiency for their homes.[4] ENERGY STAR certified LED bulbs can help lower utility bills, last longer than their inefficient counterparts, and can pay for themselves in energy savings in a matter of months. Despite these benefits, lack of disposable income and a lack of familiarity with LED availability means lower income individuals are more likely to seek the cheapest, inefficient option.

Compared to middle and high-income households, fewer lower-income households purchase efficient ENERGY STAR LED lightbulbs.

After years of progress, utility lighting rebate programs are looking for any remaining, cost-effective

TOP-LEVEL HIGHLIGHTS

- L'Image Home Products partnered with numerous utilities and program implementers to reach new consumers at value retail chains.
- Globe Electric Lighting partnered with efficiency programs to bring lighting products to food banks, while working with utilities to ensure incentives were compelling.
- Greenlite Lighting leveraged utility incentives via national partnerships with traditional and non-traditional lighting retailers, including convenience stores, to connect lower income demographics and rural neighborhoods with efficient lighting products.

[1] Source: U.S. EPA ENERGY STAR Program. Unit Shipment Data 2017 Report.

[2] Source: U.S. EPA ENERGY STAR Program.

[3] Source: RECS. 2015.

[4] Source: U.S. DOE. "Better Buildings Residential Network Peer Exchange Call Series: Making an Impact" Low-Income Energy Efficiency Programs." February 23, 2017.

opportunities in coming years. Despite challenges in reaching lower-income customers, the large untapped potential and reduced likelihood that they would purchase ENERGY STAR certified lighting on their own (i.e., reduced 'freeridership') make programs targeted to these customers an attractive focus for utility and other ratepayer-funded energy efficiency programs.

The good news is that manufacturers and utilities are beginning to collaborate to bring ENERGY STAR certified lighting to places where low income customers are more likely to shop. Highlighted below are lessons learned from recent collaborations between three ENERGY STAR manufacturer partners, utilities, and retailers around the nation.

How can ENERGY STAR and lighting partners bring efficient lighting to this untapped market?

A consumer's first experience with an LED bulb must be a quality experience. If it does not perform as advertised, that consumer may distrust efficient technology in the future. Only LED bulbs with the ENERGY STAR label are independently certified against many quality requirements, in addition to those that ensure extremely low power draw. Three manufacturers recently decided to focus their low-income rebate programs 100% on ENERGY STAR certified bulbs: Globe Electric Lighting, Greenlite Lighting, and L'Image Home Products (LHP) employ unique sales and marketing strategies to reach the underserved consumers that have not yet brought ENERGY STAR bulbs into their home. This case study outlines the key strategies and best practices from these initiatives.

L'Image Home Products

Beginning in 2017, LHP has targeted hard-to-reach American consumers who have a fixed income, low-income, and/or live in rural areas and are significantly less likely to have an efficient bulb in their home. To reach these consumers, LHP had to ensure their ENERGY STAR certified LED bubs were sold in the stores in which these consumers shop. Through a partnership with Dollar Tree retail locations, LHP introduced ENERGY STAR certified LED light bulbs to an entirely new consumer base and increased awareness through in-store displays. LHP partnered with numerous utilities and program implementers like Duke Energy, Georgia Power, ICF, CLEAResult, Western Electric Coordinating Council, Mass Save, DTE Energy, among others to make inroads where they previously did not exist.

Working in collaboration with utility programs and Dollar Tree, LHP made a commitment to deliver $1 ENERGY STAR bulbs to hard-to-reach consumers.

How did LHP make this happen? From concept to in-store presence, it took approximately 3-4 months to pitch the idea and then introduce ENERGY STAR certified LHP bulbs in Dollar Tree. Packaging and/or tray designs allowed utilities and implementers to add their unique attribution signage in their specific territory. The promotion resulted in a lift of 34% in ENERGY STAR certified lighting sales, as compared to their more traditional rebate promotions. These efforts by LHP are contributing to the reduction of greenhouse gases, expanding the awareness of the ENERGY STAR label, and reducing the size of electricity bills for consumers across the U.S.

LHP KEY INSIGHTS

- Build your program through working with both established partners and newcomers.
- Seek stakeholder input on program details. LHP consulted retailers, utilities, implementers, and ENERGY STAR on how the program could best engage consumers.
- Collect consumer feedback to identify what matters to them most.

Globe Electric USA

The price of ENERGY STAR certified LED bulbs drops day-by-day. To capitalize on that trend and to connect lower-income consumers with energy-efficient and affordable lighting, Globe Electric USA established new partnerships with efficiency programs to distribute ENERGY STAR certified LED bulbs at local food banks.

Globe also partnered with Dollar General to bring low-cost ENERGY STAR certified LED bulbs to their low-income customer base. Over 90% of Dollar General's utility store program locations are in rural/small town and inner-city metro areas that serve hard-to-reach customers. Without utility programs, Dollar General would not stock ENERGY STAR certified bulbs in their stores.

GLOBE KEY INSIGHTS

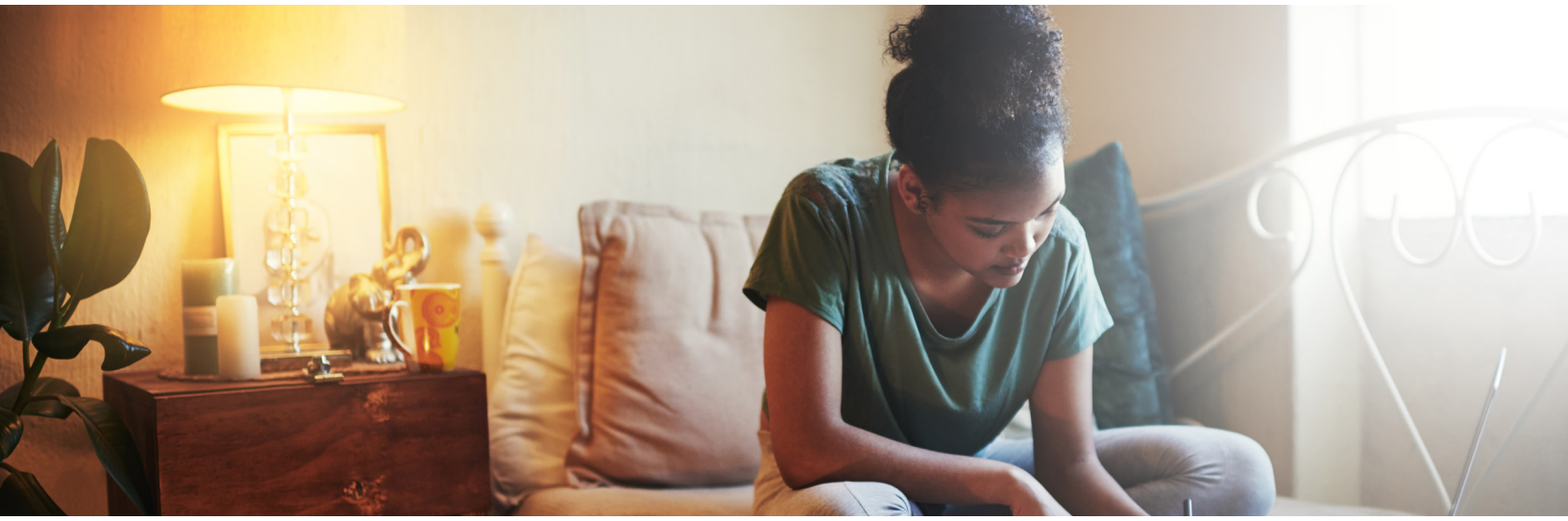
- Expand your product reach by working with non-traditional partners and identifying new retail channels.
- Make your products easy to purchase. Bring your products to consumers' preferred retail locations and work with utilities to ensure incentives are compelling.

Realizing Savings: Program Results

Globe expanded its retailer base for utility programs to focus on reaching low-income consumers. Through new partnerships with local food banks and pantries, Globe distributed ENERGY STAR certified LED bulbs free of charge throughout utility service territories.

Initial price is paramount to lower-income shoppers. Thus, the in-store signage is most effective at driving sales of ENERGY STAR certified bulbs focused on the low cost of each bulb, which could be as low as fifty cents per bulb with utility rebates. This new approach required some concessions from Dollar General: bulbs were placed in high-traffic locations throughout the store to increase exposure and drive the volume of sales.

Globe achieved a significant increase in unit sales by focusing on the low-income and food bank channels. Through these partnerships, low income, rural/small town, and inner-city utility customers acquired 1.2 million ENERGY STAR certified LED light bulbs in 2017. With annual savings of 95.2 million kilowatt hours (kWh) and 146.2 million pounds of carbon dioxide emissions avoided, these LED bulbs also saved consumers $12.14 million in electricity costs.[5]



Greenlite Lighting

For over twenty years, residential utility lighting programs have commonly leveraged partnerships with big box and do-it-yourself (DIY) retailers to reduce the price point of ENERGY STAR certified bulbs. To make inroads in non-traditional retailers, ENERGY STAR partner Greenlite Lighting provided utilities with a new channel to bring ENERGY STAR certified LED bulbs into the hands and homes of previously untapped consumers. By bringing new retailers to the table, including Walgreens/Duane Reade, Dollar Tree, Menards, and Habitat for Humanity's Habitat ReStore, Greenlite diversified its footprint for its utility partners.

Greenlite also works closely with retailers to ensure ENERGY STAR certified LED light bulbs are displayed in non-traditional, high-traffic locations within each store. This technique leverages the compelling nature of the price point, made possible by utility programs, and prominent ENERGY STAR branding. In each retailer, Greenlite placed ENERGY STAR bulbs in off-shelf shipper displays and used in-store posters to increase sales volume.

GREENLITE KEY INSIGHTS

- Educate partners on the benefits of participating and manage individual expectations for the program.
- Display lighting products in high-traffic non-traditional locations within the store.

[5] Globe

Key Takeaways

Significant opportunity remains for lighting incentive programs that focus on hard-to-reach consumer adoption of ENERGY STAR certified LED bulbs. The U.S. lighting market is not anywhere near complete transformation to efficient LED technology. When utilities, retailers, and manufacturers work together to reach underserved communities, it ensures that more Americans can choose energy-saving, ENERGY STAR certified LED bulbs when shopping. The government-backed ENERGY STAR label works as a "seal of approval" for LED bulbs, to indicate they save energy, deliver on brightness, and simply work the way light bulbs should. Efforts spearheaded by partners like LHP, Globe Electric, and Greenlite provide low-income Americans access to these high-quality, high-performance ENERGY STAR certified LED bulbs for the first time.

WHY ENERGY STAR AT NON-TRADITIONAL RETAILERS

ENERGY STAR is widely recognized by consumers as the simple choice for energy savings. The little blue label means a lot more than that for light bulbs. ENERGY STAR's strict guidelines include:

- Verified compliance with 26 separate industry standards and procedures.
- Third-party testing of products off the retail shelf.
- High heat testing to stress the products in operating environments similar to actual field operation.
- Minimum 3-year warranty.

More than 90% of American households recognize the ENERGY STAR label and for those who have purchased certified products, almost 75% were influenced by the label. More than 884,000 times a day, people choose ENERGY STAR to help them save energy. Join these ENERGY STAR partners to reach new consumers and reduce the size of electricity bills by incorporating low-income initiatives in your incentive programs. Together, we can make ENERGY STAR the simple choice for all Americans. Get started by learning more when you reach out to your account manager or Dan Cronin, EPA ENERGY STAR, at cronin.daniel@epa.gov.