Modifying the LED Approach to Respond to a Fast-Changing Market

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Overview

- State of the Lighting Market
- History of Lighting Incentives
- Efficiency Vermont Two-Step Approach to LEDs
- First Step: Setting LED Incentives - Progression and Current LED Incentives
- Second Step: New Education Campaign
- 2013 and Potential Future Initiatives
- Questions
Current State of Lighting

• Across the country, regulations and emerging technologies have changed how customers have to shop for lighting
• Prices changing rapidly
• Different technology on the shelves
• New products coming to market everyday
• Still savings to be had! In Vermont, only ~35% socket saturation
Efficiency Vermont Lighting Program History

- **LEDs**
- **Specialty CFLs**
- **CFL Fixtures**
- **CFLs**

- **Standard CFLs - Coupons**
- **CFL Fixtures – Coupons**
- **CFL Fixtures – Midstream**
- **Specialty CFLs - Midstream**
- **Standard CFLs - Midstream**
- **LED Downlights - Coupons**
- **LED Downlights - Midstream**
- **Vermont Foodbank Promotion**
- **LED Screw-based bulbs - Midstream**
How to Keep the LED Promotions Effective?

• Reliance on ENERGY STAR®
  • All lighting products must be ENERGY STAR due to strict qualifying criteria and third-party testing

• Two Pronged Approach
  • First Step: Set appropriate incentive levels and requirements criteria
  • Second Step: New lighting education campaign to guide customers on lighting options - Love Your Light
Tracking LED Promotions

LED Promotion Participation

Number of Bulbs

LED Coupon Promotion  LED Midstream Promotion

Efficiency Vermont
Shifting LED Incentives

• LED Downlights
  • From $30 to $20 to $10
    • Retail prices have decreased
    • More products on the market
    • More customer interest

• Screw-based LEDs
  • In 2011, started with $20 for select omni-directional ENERGY STAR A19s
  • Added more screw-based LEDs at select retailers
    • Realized lumen restrictions were necessary
  • Special L PRIZE® promotion
# First Step - Setting the Incentive

<table>
<thead>
<tr>
<th>LED Type</th>
<th>2012 Incentive (Jul-Dec)</th>
</tr>
</thead>
<tbody>
<tr>
<td>LED downlight</td>
<td>$10</td>
</tr>
<tr>
<td>LED A19 omni-directional</td>
<td>$10</td>
</tr>
<tr>
<td>L-Prize A-style winner</td>
<td>$20</td>
</tr>
<tr>
<td>LED screw-based directional – under 750 lumens (~15W)</td>
<td>$10</td>
</tr>
<tr>
<td>LED screw-based directional – over 750 lumens (~15W)</td>
<td>$15</td>
</tr>
<tr>
<td>LED decorative - over 100 lumens</td>
<td>$5</td>
</tr>
</tbody>
</table>
## Cost-effectiveness?

<table>
<thead>
<tr>
<th>LED Downlights</th>
<th>LED Screw-based</th>
</tr>
</thead>
<tbody>
<tr>
<td>$30 Incentive = $348 / MWh</td>
<td>$20 Omni A19 Incent. = $135 / MWh</td>
</tr>
<tr>
<td>$20 Incentive = $246 / MWh</td>
<td>$10 Omni A19 Incent. = $130 / MWh</td>
</tr>
<tr>
<td>$10 Incentive = $172 / MWh</td>
<td>All Non-Omni ($15, $10, $5) = $168 / MWh</td>
</tr>
</tbody>
</table>
Lightings’ Changing Landscape
Challenge: Lighting Technology Confusion
Second Step - New Campaign: Love Your Light

**LOVE your LIGHT FOR ONLY .99¢**

Standard ENERGY STAR® Spiral CFLs Limit 12/residential OR 25/business Vermont electric account.

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**LOVE your LIGHT**

Light bulbs come with a new label to help you pick the right one for you. It's just like the nutrition label on food packaging. To get the right bulb, look for ENERGY STAR® and then just pick your brightness, your color, and your savings.

For more information and other ways to save, visit www.efficiencyvermont.com.
2013 and Future Initiatives?

• 2013 Q1 & Q2: Keep LED incentives constant
• Expand: Add more retail and manufacturing partners
• Explore new promotion models: e.g., a targeted downlight initiative with U.S. EPA, distribution through our Foodbank partnership
• Most important: Continue to invest in LEDs to encourage
  • Market adoption
  • Customer awareness that not all bulbs are created equal!
Questions?

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