



RESIDENTIAL LIGHTING

NW Energy Efficiency Alliance Market Perspective

ENERGY STAR Lighting
Partner Meeting
March 2, 2006



Background

Who is the Northwest Energy Efficiency Alliance?

- A partnership working to increase the availability of affordable, **energy-efficient products and services** to Northwest consumers and businesses.
- A **regional organization** serving the four Northwest states of Idaho, Montana, Oregon and Washington.
- An organization that uses **market-based program approaches** to meet its goals.



Lighting Market Goals

Big Picture Res. Lighting Goal:

- ENERGY STAR label becomes a credible differentiator of product quality in CF lighting
- Increase consumer demand for energy-efficient/compact fluorescent lighting

Short-term CFL Goals (by 2010):

- Annual NW CFL sales increase by 1 million
- Those who have purchased CFLs for the first time plan to make repeat purchases; 85% of CFL purchasers intend to replace CFLs with CFLs

Long-term CFL Goal:

- CFLs will evolve from durable good-type to a commodity and incandescents will be viewed as "old fashioned"



Elements of the NW Residential Lighting Program

Support new and emerging products

- Examples: PNNL technology procurements and national fixture design competition (Lighting for Tomorrow)

Continue strategic market-based program implementation

- Focus on CFLs—drive market share via product QA
- New Construction: Customized approach to connect the builder to the supplier



Market Trends & Barriers

CFLs

- Sales strong in Northwest; 2005 sales more than 7 million (average almost 2 per household)
- 30% of consumers still haven't purchased
- Price still a barrier in smaller retail channels

Fixtures

- Sales in larger retail channels demonstrate increased consumer awareness and demand—they have doubled each year since 2003
- Incremental price still a barrier



Strategic Approaches

CFL Promotion Elements:

- Timed with *Change-A-Light*
- Regional upstream CFL buy-down allows for discount pricing
- Incentives funded by BPA, Energy Trust of Oregon, utilities
- Builds off of regional Alliance program infrastructure
- Targets products that are most likely to provide good first experience



Strategic Approach, cont.

Goals of Promotion (Savings With a Twist):

- Give consumers a trial purchase via low price
- Provide broad geographic sales coverage via new distribution channels (e.g., grocery, drug)
- Allows utilities to claim cost-effective energy savings via leveraged regional program infrastructure
- Targets products for good experience and application



Strategic Approach, cont.

Fixtures Approach:

- Focus on new construction market—"build it right the first time"
- Program support targeted at builders who purchase from lighting showrooms, utilities provide incentives
- Emphasis on lower prices and increasing availability to the builder market



Closing Thoughts

Energy Efficiency Program perspective on lighting:

- We've come so far (some progress in fixtures, more with CFLs)
- Focus efforts on proving consumers with CFL lighting that meet their expectations
- Back to primary goal of saving lighting energy (vs. promotion of one technology over another)



Thank you!

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