



What's next?

Residential Energy Efficiency Lighting Programs

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Is the Market Transformed?

- LEDs have easily replaced the CFL in the residential customer purchasing pattern.
- Most retailers have discontinued CFLs from their stocking.
- Availability of the LED bulb is high in the following retail channels:
 - DIY Home Center
 - Warehouse Club
 - Mass Merchant



What is transformation?

- Transformation would be accomplished when we have made energy efficient lighting available to all strata of customer demographics
 - Income levels
 - Rural / Suburban / Urban
 - Age demographics



We must be done, right??

- The general homeowner can easily find affordable LEDs in the DIY retailer locations.
- Mass merchant retailers also offer LEDs to their homeowner / renter customers

Not at all.....

- Customer segmentation is our next tool that must be used in the Residential Lighting Programs



Current state of affairs

- Big box retailers gobble up most of the funding in EE Programs due to their high foot traffic. They also may have **very high levels of free ridership** due to being destinations for bulb purchases.
- Future programs must focus on the non destination retailers such as dollar, hardware and small discount retailers that allow the EE program to reach the lower income and rural customer base.



Who then?

- We must now look to those retailers that can capture the lower income as well as urban and rural customer base that may not have access to the suburban retailers in the big box.
- Focus on Dollar Channel to capture the lower income customer. Dollar Channel also allows for more rural penetration.

Example: Dollar General uses smaller square foot real estate with high traffic visibility.



Other stores

- Local hardware stores allow EE programs to capture the neighborhood customer as well as a rural type.
- Drug stores would also allow for a capture of the downtown urban and lower income demographics.
- All of these would rely on “special Buy” non-stocking product that brings a lower retail than just simply marking down an existing sku



What about EISA 2020, aren't we done then?

- Based upon the latest change in political climate and the current litigation that the DOE is involved in, the EISA 2020 timeline is unclear.
- LEDs should reach 80 to 90% penetration by 2023 and one could then say that the market will have been transformed naturally.

