

SUMMARY PROFILE REPORT

BPProgID: R14

ProgramName: **CA Statewide Residential Lighting Prog**

Implementing Organization: **PG&E, SCE, SDG&E**

Program Synopsis

The 2002 program was implemented across the state of California by the state's investor-owned utilities. It was designed to build upon the success of previous residential lighting programs but shifted the focus from retailer training and support and end-user coupon offerings to a straightforward manufacturer buy-down. Due in part to the energy crisis of 2001, the emphasis in California shifted in 2002 from longer term market transformation goals toward more immediate energy and peak demand savings. This shift turned the program away from midstream market actors toward upstream rebates it was thought would more quickly move the ENERGY STAR lighting market. This program year is unique in that it represents the first truly statewide effort on the part of the IOUs to implement the program across service territories consistently, by offering the same participation mechanisms, the same rebate levels and the same promotion periods.

Program Type

Incentive

- PrescriptiveRebates
- CustomIncentivesSPC
- BillCreditsRateDiscounts
- Services
- DirectInstallation
- FinancingLoansLeasing
- FreeMeasures
- InHousePlusSubs
- IncentiveOther

Information and Training

- GeneralEducation
- MailAudit
- TelephoneAudit
- OnSiteAudit
- OnLineAudit
- DesignAssistance
- FeasibilityStudies
- EndUserTraining
- TradeAllyTraining

Program Focus

Primary Program Focus

- EndUser
- SupplySide
- EndUserAndSupplySide

Residential End User Target Markets

- ResidentialALL
- SingleFamily
- MultiFamily
- MobileHome
- LowIncome
- ResOther

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Commercial/Industrial End User Markets

Commercial

- All
- Offices
- Retail
- Restaurant
- Public (govt.) Facilities
- Grocery Store
- Health Care
- Education
- Lodging (Hotels/Motels)
- Warehouses
- Other (specify:)

Industrial

- All
 - Other (specify:)
- #### Other
- Other (specify:)

Market Barriers

- | End User | Supply Side | |
|-------------------------------------|-------------------------------------|--|
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Information or Search Costs |
| <input type="checkbox"/> | <input type="checkbox"/> | Performance Uncertainties |
| <input type="checkbox"/> | <input type="checkbox"/> | Asymmetric Information and Opportunism |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Hassle or Transaction Costs |
| <input type="checkbox"/> | <input type="checkbox"/> | Hidden Costs |
| <input type="checkbox"/> | <input type="checkbox"/> | Misplaced or Split Incentives |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Product or Service Unavailability |
| <input type="checkbox"/> | <input type="checkbox"/> | Externalities |
| <input type="checkbox"/> | <input type="checkbox"/> | Non-Externality Pricing |
| <input type="checkbox"/> | <input type="checkbox"/> | Inseparability of Product Features |
| <input type="checkbox"/> | <input type="checkbox"/> | Access to Financing |
| <input type="checkbox"/> | <input type="checkbox"/> | Bounded Rationality |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Organizational Practices or Customs |

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- Irreversibility
- Other End User
- Other Supply Side

Supply Side Actors Targeted

- | | |
|--|--|
| <input type="checkbox"/> SupplySideActorNotProgFocus | <input type="checkbox"/> TradeAssociations |
| <input type="checkbox"/> AorEFirms | <input type="checkbox"/> WholesalersDistributors |
| <input checked="" type="checkbox"/> Manufacturers | <input checked="" type="checkbox"/> Retailers |
| <input type="checkbox"/> Realtors | <input type="checkbox"/> EnergyServiceCompanies |
| <input type="checkbox"/> Developers | <input type="checkbox"/> NonProfitNotForProfitGroups |
| <input type="checkbox"/> Builders | <input type="checkbox"/> Govt |
| <input type="checkbox"/> Contractors | <input type="checkbox"/> Other |

Types of measure/end use technologies

- ALL MEASURES**

HVAC

- Multiple Measures*
- High Efficiency DX/HP
- High Efficiency Chillers
- High Efficiency Room/Terminal
- Economizers
- Control Systems
- Variable Speed Drives
- Occupancy Sensors
- Duct Sealing and Balancing
- Operations and Maintenance
- Equipment Testing/Tune-up
- Commissioning
- Retro-commissioning
- Space Heating
- Heat Pump

Lighting

- Multiple Measures*
- Compact Fluorescents
- Electronic Ballasts
- Reflector Systems
- Efficient Fluorescent Lamps (T-8, T-5, etc.)
- Lighting Controls
- Occupancy Sensors
- High Intensity Discharge
- Operations and Maintenance
- Day lighting
- Other (specify:)

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Other (specify:)

Water Heating

- Multiple Measures*
- Load Control (Cycling)
- High Efficiency
- Insulation Blankets
- Low-Flow Showerheads
- Low-Flow Aerators
- Solar Assisted
- Operations and Maintenance
- Other (specify:)

Motors

- Multiple Measures*
- High Efficiency
- Variable Speed Drives
- Operations and Maintenance
- Other (specify:)

Industrial Process

- Multiple Measures*
- Compressed Air
- Motors
- Pumps
- Other (specify:)

Other (specify)

- Other (specify:)

Program Context

The investor owned utilities in California have had residential lighting programs since the 1980s. This review covers program activities for 2002, the first year of a cross-cutting residential lighting

Appliances

- Multiple Measures*
- Refrigerators
- Dish Washers
- Clothes Washers
- Clothes Dryers
- Office Equipment
- Plug Load
- Other (specify:)

Building Envelope

- Multiple Measures*
- Insulation
- Infiltration Control
- Glazing and Glazing Control
- Operations and Maintenance
- Windows
- Other (specify:)

Refrigeration

- Multiple Measures*
- High Efficiency
- Controls
- Variable Speed Compressors
- Multi-Stage Compressors
- Operations and Maintenance
- Commissioning
- Other (specify:)

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program administered statewide. This program year represents a shift from longer term market transformation goals toward more immediate energy and peak demand savings, in part due to the effects of the 2001 energy crisis. Rather than focusing on mid-stream market actors (through increasing production, stocking, promotion and sales of energy efficient appliance and lighting products) the program in 2002 shifted towards incentives for upstream actors (through manufacturer and retailer buy downs without significant training or marketing).

The processes and program were identical across IOU service territories. The program did not include an emphasis on supplier support functions such as cooperative advertising and sales person training, not did it include point of purchase coupons or displays.

Program Components

Program Management

In 2002, the participating California utilities administered the programs entirely in house, benefiting from utilities' cumulative efforts at developing an in-depth understanding of the residential lighting market and its key market actors. The 2002 program continued successful implementation strategies used in prior years, such as the point-of-sale rebate and manufacturer buydown. Internal procedures that were developed in 2001 for assigning rebate allotments, tracking rebate payments, and performing quality control provided the foundation for the 2002 program.

Each utility has one program manager, and a small number of support staff. Coordination and communication with retailers and manufacturers are part of the program managers' responsibilities. They review requests and approve allotments (often reducing the total amount delivered due to limited incentive budgets.)

Lean in-house operations, prior successful strategies, effective working relationships and cumulative efforts to work statewide mean that the program is administered effectively and efficiently.

Implementing Organization

- Utility
- Nonprofit
- Govt
- Private
- IOOther

Implementation Structure

- InHouse
- TurnkeyContractor
- InHouseAndSubcontractors
- Other

Reporting and Tracking

The upstream nature of the program does not allow for tracking of the actual customer who benefited from the rebate, nor where the measure is installed by service territory. Instead, the program tracks retailer and manufacturer activity. Each utility has its own system for managing program rebate activity, including rebate allotments and payments. Manufacturers are required to provide proof that they shipped the discounted bulb; while participating retailers must provide proof that the discount was applied for each bulb sold. Retailers with participation agreements must be able to show the discount on the customer's receipt. Program managers at individual utilities track total bulbs sold at given locations, occasionally experiencing delayed reporting from retailers whose sales were lower than anticipated.

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Verification and Quality Control

There is no verification or quality control system for this program. The upstream nature means that the discount is passed on to unknown customers, allowing for limited knowledge of actual installation. Program managers report some "mystery shopper" activity to verify that discounts were applied as well as informal communication feedback by employees about display, pricing, and quantity.

The total number of units reported by the program was verified by comparing a sample of invoices to the number of rebates by measure type using the program tracking data. Quality control is addressed upstream through ENERGY STAR certification and through the efforts of PEARL, an independent product testing program.

Participation Process

The program relies primarily on a manufacturer buy-down to reduce costs to residential lighting customers. The per lamp incentive was reduced from \$3/lamp to \$2/lamp in 2002, and impacted a higher number of products. Utility program managers secure manufacturer and retailer enrollment through a participation agreement. Retailers who participate directly have direct terms of agreement; those who participate through a manufacturer have little responsibility. The buy down is simply passed on to the retail lighting customers through lower prices for CFL and efficient fixtures.

Outreach, Marketing and Advertising

The program was marketed to both upstream market actors and downstream customers. Marketing to retailers and manufacturers focused on getting them to participate. Downstream promotions were the responsibility of participating retailers, who developed and placed their own point of purchase displays and advertisement of the rebate. The program was also supported by mass media statewide and national marketing campaigns that promoted energy-efficient lighting products.

Installation and Delivery

There were no direct issues related to installation and delivery with this program. The program relied on existing manufacturer/retailer relationships, described by program staff as "riding on the coattails of existing processes and relationships."

Program Evaluation

An evaluation of the 2002 statewide crosscutting residential lighting program included impact data, process information and market analysis. The evaluation urged the utilities to continue their efforts to raise awareness and educate consumers on CFLs through the Change-a-Light and the Flex Your Power mass media campaigns and through working closely with participating retailers to assure that their promotional efforts are effective. The evaluation also urged the program to maximize the incentive budgets by using tiered rebate structures that direct incentive dollars to the CFL product categories where price and availability are significant barriers. The evaluation also revealed some issues related to how Hard-to-Reach sales goals were set and implemented and recommended that the HTR goals be aligned with utility-specific demographics and historic purchase rates. The evaluation noted that participating retailers and manufacturers need adequate lead time (2 to 3 months) to ensure effective marketing, delays and funding lapses negatively impact the effectiveness of the program influencing these actors.

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Quantitative Data

Program Year: Jan 2002 to Dec 2002

- Participation rate is available
- Cost Breakdown is available
- Net Savings Breakdown is available
- Net-to-Gross is available
- Total Resource Cost Data is available

Quantative Data Summary:

The market share for CFL sales in California in 2002 is estimated to be 5.1%. The program ultimately rebated over 3.5 million CFL products, mostly CF bulbs. The program rebated fewer fixtures, torchieres, and ceiling fans than planned, but rebated almost 25,000 hardwire fixtures, 6,736 torchieres and 50 Energy Star ceiling fans statewide. The program's net-to-gross ratio is .8. PG&E reports a TRC test value of 3.5. Southern California Edison reports a TRC value of 3.13. For San Diego Gas & Electric, the TRC value is 2.35.

The Statewide Program budget totaled \$9.4 million, with \$7.7 million earmarked toward product incentives.

Do not have summary budget v. actual numbers by service territory and total statewide numbers by cost category. Southern California Edison had an authorized budget of \$1,999,500 and actual expenditures of \$1,546,822 (not broken down by cost category). Pacific Gas & Electric had an authorized budget of \$5,733,000, including \$5,299,000 earmarked for incentives. San Diego Gas & Electric had an authorized budget of \$1,543,000 including \$1,167,000 earmarked for incentives.

List Of Key Sources

Evaluation of the 2002 Statewide Crosscutting Residential Lighting Prog

Contact Information

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