



VERMONT ENERGY
INVESTMENT CORPORATION

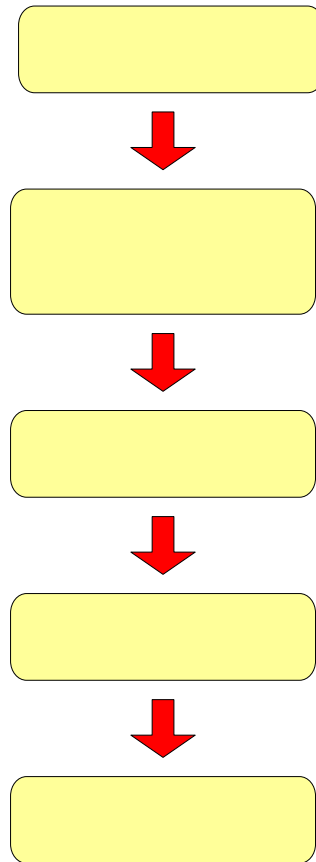
Upstream Incentives to Lighting Distributors

CEE June Program Meeting | June 3rd, 2009

Gabe Arnold, PE, LC | *VEIC*



Commercial Fixture Supply Chain



Product Incentives

Manufacturer

Manufacturer's

Representative



Why move upstream?

- Push the market through incentives to lighting distributors
- Present the business case for distributors to stock and sell the products you recommend
- Leverage the distributor sales force



Has this been done before in commercial lighting?

- California Distributor Rebate Program
 - <https://www.cainstantrebates.com/>
- New Brunswick Bright Ideas Program
 - <http://www.energycnb.ca/enb/1649/Commercial-Lighting--Bright-Ideas-Program>
- Efficiency Vermont SMARTLIGHT Program
 - <http://www.energycvermont.com/SMARTLIGHT/>



Example: Efficiency New Brunswick Bright Ideas Program

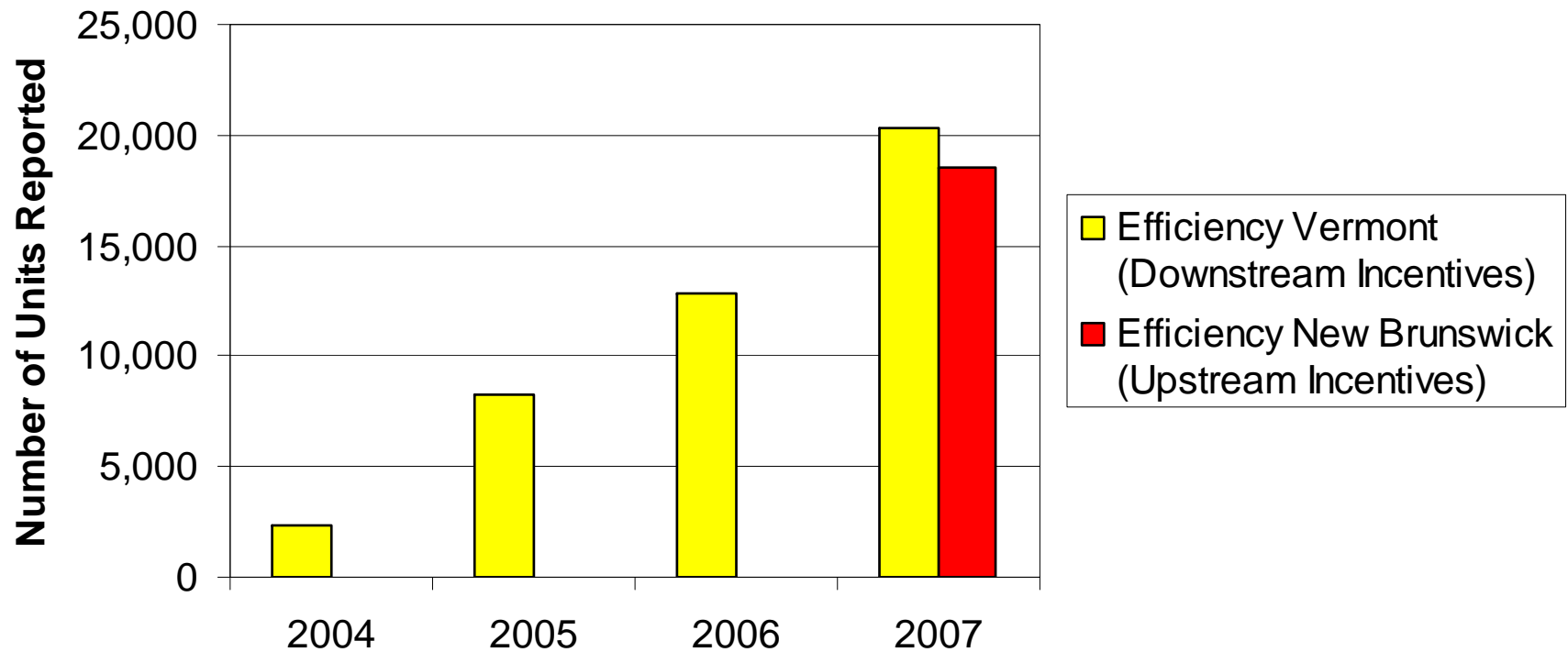


- The Challenge:
 - New organization; small staff; HPT8 almost non-existent in province; needed big results, quickly.
- The Solution:
 - Upstream rebates to lighting distributors:
Leverage distributors to sell and implement program.



Results Comparison

HPT8 Ballast Results by Year





Vermont and New Brunswick

- Similar Market Sizes
 - New Brunswick: 775,000 Population
 - Vermont: 621,270 Population
- Similar Number of Distributors
 - New Brunswick: ~25 Distributors
 - Vermont: ~25 Distributors
- Staff Commitment to Implement Program
 - New Brunswick: 1/4 to 1/2 FTE
 - Vermont: Many FTE's



Advantages to Upstream Approach

- Quickly breaks down barriers
- Leverages distributor and manufacturer sales force
- Few resources needed
- Quickly changes stocking practices
- Affordable incentives
- Big results, fast



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Challenges with Upstream Approach





Challenge: Less information about the installation

- Location
 - Unless products are shipped to job site, distributors don't track the installation address.
 - This is a showstopper for some distributors if you require it.
- Details
 - Is it new construction or existing? What was replaced?
 - What operating hours?
 - Assumptions need to be used



Challenge: Messaging

- Now relying on distributors to carry correct messaging and provide proper application.
- Maybe this is a good thing?



Other Challenges

- Concerns about fraud?
- Combining with end-user rebates and “double-dipping”?
- Can it be implemented by utility territory? Seems to work better statewide or province-wide.
 - Distributors have a hard time with parsing out sales. Some see this as a showstopper.
 - Too much to ask of counter staff to remember details and collect information



Other Challenges

- Evaluation Challenges?
- Design?



More Information

- ACEEE 2008 Summer Study Proceedings Paper #202: A Bright Idea in Commercial Lighting: New Brunswick's Success with an Upstream Incentive Approach
- New Brunswick Bright Ideas Program
 - <http://www.energycnb.ca/enb/1649/Commercial-Lighting--Bright-Ideas-Program>
- California Distributor Rebate Program
 - <https://www.cainstantrebates.com/>
- Efficiency Vermont SMART LIGHT Program
 - www.energycvermont.com/smartlight