

Retail Markdown Lighting Programs Deliver Big Savings for Small Utilities, Too

Residential lighting programs are just as crucial to achieve overall energy savings for small utilities' energy efficiency programs as for large utilities. WECC, a national leader in retail lighting program design and implementation, has extensive experience delivering programs of all sizes throughout the United States. As one of the pioneers of the retail compact fluorescent lighting (CFL) markdown program, WECC remains a top provider of low-cost retail markdown programs in the Midwest—consistently delivering the energy savings utilities depend on.

WECC is proud to count amongst our retail lighting program clients many municipal and cooperative utilities, as well as smaller investor owned utilities (IOUs)—some with as few as 500 to 50,000 residential customer meters. These utilities face unique challenges in executing retail lighting programs. Large utilities subsidize hundreds of thousands of bulbs—a scale which attracts the interest and attention of manufacturers and retailers. On the other hand, small utilities may require as few as 1,000 bulbs to be sold in order to meet energy savings goals. This poses a challenge for retailers, as contract and program setup take time and work. Furthermore, small utilities are often located in rural or remote areas, where travel time increases the cost of in-store outreach and field support. Conversely, many small utilities serve a municipal district that borders or overlaps another utility's jurisdiction and program.

WECC's Strategy

WECC deploys a range of strategies to deliver cost-effective energy savings and high customer satisfaction for small utility programs. Seeking out opportunities for sharing resources has proven to be key in maintaining low-cost delivery for small utility programs.

Shared Manufacturer and Retail Terms

WECC holds umbrella agreements with major national retailers, as well as several regional retailers. By bringing together the needs of utility programs nationwide, WECC is able to negotiate product, placement, and terms that apply to all programs. Small utilities gain access to improved product pricing and selection, in turn allowing retailers to quickly and efficiently add smaller programs. WECC also maintains strong relationships with independent retailers, a channel that tends to reach a very local customer.

Shared Program Resources

A strong in-store presence is critical to a successful retail markdown program. In-field program representatives provide quality assurance by verifying stores are stocking the appropriate energy-efficient bulbs, selling product at the agreed-upon price, and using utility and program-branded materials. Representatives also provide important education and outreach, training store associates and helping consumers select the appropriate bulb(s).

WECC actively shares resources to reduce delivery cost and maintain program cost-effectiveness. In one situation, WECC hired part-time field associates from the community, providing local jobs. Where a utility offered a portfolio of energy efficiency programs, WECC leveraged surrounding field representatives. Trade ally representatives and energy advisors for commercial programs conducted store visits within their territory. Sharing resources with other programs reduced travel time and labor costs, providing extremely cost-effective field representation for a group of rural utilities.

Shared Local Retail Market

WECC analyzes the local retail market within a utility's service territory. One objective of this work is to identify potential conflicts and opportunities in regards to neighboring utility programs, with the goal of negotiating program coordination. For example, by comparing the unit goals to store availability and capacity for a specific municipal utility jurisdiction, it was determined that some stores (which had other utility programs already in place) should be part of the municipal utility's program. WECC, who worked closely with its utility client, another local utility, and their implementation contractor, proposed a solution to meet both utilities' needs.

WECC's Solution

Competitive Product Mix and Price – Work with retail and manufacturer partners to add smaller programs in conjunction with larger programs through umbrella agreements, fostering more rebates for customers and less work for the retailer/manufacturer.

Low-cost Delivery – Leverage other local programs by sharing field resources to lower implementation costs. This provides a strong field presence for quality assurance, store associate training, and customer events.

Collaborate – Partner with neighboring jurisdictions to find data-driven solutions that achieve both utilities' program objectives, providing a win-win situation.