

## **Team Lift: A Three-State Approach to Testing a New Program Design**

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### **ABSTRACT**

Efficient lighting has long been one of the mainstays in the portfolios of efficiency program. Across the country, efficiency programs have incentivized CFLs using an upstream buy-down model that provides a per-bulb incentive. As these programs mature, they are frequently able to claim only a portion of those savings due to net-to-gross factors. In 2012, two organizations recruited three states – Massachusetts, Oregon, and Vermont – to sponsor three separate, but coordinated, demonstration programs in residential lighting using Market Lift, a new upstream program design. Market Lift provides a direct incentive to the retailer for increases in sales of CFLs above an agreed-upon baseline based on historical sales. This model allows utilities to claim full savings for bulbs sold above the baseline, relies on the retailers' expertise to sell product, and provides the utilities with a robust set of data with which they can evaluate the impact of the program. These pilots – while similar in purpose – varied from state to state and have benefitted greatly from cross-continental coordination, which allowed not only better pilot designs, but also greater ease of implementation and increased participation.

The pilot projects discussed in this paper were preceded by an initial Market Lift pilot that was done in Wisconsin in partnership with Focus on Energy and Lowe's. This paper explores lessons learned from planning and executing these concurrent cross-country pilots, including challenges and benefits of retailer engagement and coordination of pilots in three separate states. It also provides recommendations for implementation of future Lift programs.

### **Introduction**

From 2012 to 2014, a team of three states, two regional energy efficiency organizations, two retailers, one manufacturer, and one consulting firm has been running a Residential Lighting Market Lift pilot of three projects. Market Lift is a new upstream program design that uses historical sales data to develop a baseline, measures sales of the target product during a designated period, and rewards the retailer for sales above the baseline. The program differs from traditional mid-stream and buy-down programs in several key ways, notably the following:

- It pays incentives only on sales above baseline, not on every sale.
- It pays incentives to the retailer, not the consumer.
- The retailer is free to determine how to promote eligible products.
- The baseline and monthly incentives are calculated from complete sales data.

Access to a comprehensive set of granular retail sales data (all lamps sold by wattage in participating states and other states in the region) was the primary impetus for making this a

regional project. Sales data is valuable for program planning, evaluation, and market characterization. In the original vision of the lift project, we expected to receive data from many large retailers, which would provide a robust characterization of the regional market. We also expected each of the sponsoring states to receive sales data from the retailers.

The other impetus for the Market Lift project was the opportunity to explore a program design strategy that holds promise in delivering savings net of free-ridership, without the evaluation expense or ambiguities associated with other net savings study methods.

Lengthy negotiations with many states and retailers demonstrated that a regional Market Lift project smaller in scale than the original vision would be most practical. The smaller project would still give sponsors valuable insights into the feasibility of accessing sales data and delivering this program design. This pilot program involved the following 10 organizations:

- Bonneville Power Administration (BPA). Program sponsor. Provided funding for the Oregon pilot, provided field support, and helped recruit retail partners.
- Northeast Energy Efficiency Partnerships (NEEP). Program sponsor. Provided administrative funding for the Massachusetts and Vermont pilots.
- Massachusetts utilities: NSTAR, National Grid, Western Massachusetts Electric Company (collectively referred to as “Massachusetts”). Pilot sponsors. Provided support in the state-level program design and incentive funds for the retailer.
- Energy Trust of Oregon (ETO). State sponsor. Provided support in the state-level program design and incentive funds for the retailer.
- Vermont Energy Investment Corp. (VEIC). State sponsor. Provided support in the state-level program design and incentive funds for the retailer.
- Costco/Feit Electric. Retailer/manufacturer in the Massachusetts pilot.
- Kmart. Retailer in the Vermont and Oregon pilots.
- D&R International. Contractor. Provided project design and management.

This project had two primary goals. The first was to serve as proof of concept for the program design. Other sectors utilize the principles of Market Lift by setting performance baselines and offering incentives for performance above baseline. Some examples include retail employees earning incentives for sales that exceed annual/monthly goals and athletes receiving bonuses (frequently very large) for superior performance. However, these principles haven’t been sufficiently tested as a mechanism for capturing energy savings for efficiency programs. The pilots looked to test if they could provide claimable energy savings by incentivizing retailers to move sales above the historical baseline and if they could obtain sufficient sales data to develop a historical sales baseline and measure sales progress on a monthly basis.

The second goal was to use the three state-level programs to collect full-category sales data that could be used to analyze how the residential lighting market and sales have changed since the Energy Independence and Security Act of 2007 (EISA) standards went into effect, and if and how these programs affected the lighting market in their respective service territories.

While this was a single pilot, the state-level programs had meaningful variation in their program design and execution. Table 1 below illustrates the characteristics of programs by state.

Table 1. Characteristics of Market Lift pilots, by state

State	Vermont	Massachusetts	Oregon
Sponsors	Efficiency Vermont	NStar, National Grid, Western Massachusetts Electric Company	Energy Trust of Oregon, Bonneville Power Administration
Pilot promotional period	May 1 – Dec. 31, 2013	Sep. 1, 2013 – Mar. 1, 2014	Apr. 1 – Nov. 30, 2013
Geographic coverage	Statewide	Statewide	Energy Trust of Oregon electric service territory
Incentive funding available	\$20,000 for performance; \$9,000 for milestones.	\$117,000	\$50,000 for performance; \$6,000 for milestones.
Incentivized products	Bare spiral CFLs - ENERGY STAR	Bare spiral CFLs - ENERGY STAR	General service CFLs (including A-lamps)
Retailer	Kmart	Costco	Kmart
Number of test stores	3	6	6
Number of comparator stores	4	26	4
Comparator location	Northern New York	Connecticut, Florida	Non-participating stores in Energy Trust of Oregon electric service territory
Frequency of lift calculation	Twice a month	Every 2 months	Every 2 months
Frequency of incentive payments	Twice during pilot	After each performance period	Upon project conclusion
Tiers and incentives (% lift, per-bulb incentive)	Tier 1 - 10%, \$0.75 Tier 2 - 50%, \$1.00 Tier 3 - 75%, \$1.25 Tier 4 - 100%, \$1.50 Tier 5 - 150%, \$1.75 Tier 6 - 200%, \$3.00	Tier 1 - 10%, \$0.75 Tier 2 - 15%, \$0.80 Tier 3 - 20%, \$0.85 Tier 4 - 25%, \$0.90 Tier 5 - 30%, \$1.00	A2-A4 Lamps Tier 1 - 3%, \$1.00 Tier 2 - 50%, \$1.25 Tier 3 - 75%, \$1.50 Tier 4 - 100%, \$2.00  A5 Lamps Tier 1 - 25%, \$1.00 Tier 2 - 50%, \$1.25 Tier 3 - 75%, \$1.50 Tier 4 - 100%, \$2.00
Incentive cascades to lower tiers?	Yes	No	No
Milestone incentives (non-performance)	\$2,000 per store - training for all staff; \$1,000 per store - developing pocket card and program guidance for staff by pilot start	None	\$3,000 for completing Program Plan  \$3,000 for training 75% of sales staff in first month of the pilot
Concurrent incentive program	No	Yes – CFL markdown at all MA Costco stores	No
Field support offered	Ongoing in-store support for signage and associate needs, including training	One in-store educational event	Ongoing in-store support and assistance developing training materials
Percent lift achieved	Data forthcoming	Data forthcoming	Data forthcoming

All three programs included phases for program design, retail recruitment, program definition, program execution, and program wrap-up.

### **Initial Program Design**

Program design included identifying the incentive budget, developing several incentive structures with targets, and determining the per-product incentive, period of performance, non-sales incentives, and other requirements for the retailers.

### **Retail Recruitment**

D&R, working closely with BPA, conducted outreach to eight retailers to solicit interest. D&R presented details about the pilot, answered questions, and explained the benefits of and requirements for participation.

### **Program Definition**

Through the execution of memorandums of understanding (MOUs) and non-disclosure agreements (NDAs), each state finalized its incentive structure and determined frequency of incentive payment and method and frequency of reporting. Retailers provided a Program Plan for promoting CFLs and historical sales data. D&R calculated baselines for the test and comparator locations. The team presented the initial baseline calculations to the program sponsor and retailer for feedback to ensure that each baseline was set fairly, at a level that would allow the retailer to achieve lift with effort, but without extreme difficulty.

### **Program Execution**

The retailer conducted the program and provided D&R with monthly sales data. Oregon and Vermont offered field support to the retailers in their respective pilots; Massachusetts did not. D&R determined whether lift occurred, and if so, how much, by comparing the sales data to the baselines, then advised state sponsors about incentive payments.

### **Program WRAP-UP**

When the pilots concluded, D&R submitted final program reporting and sales data to the program sponsors.

## **Sponsor and State Perspectives**

### **Oregon**

This pilot provided ETO and BPA with an opportunity to explore innovative ways of engaging retailers to collaboratively drive program savings. Due to ever-slimmer savings, cost-effectiveness for lighting and other measures is decreasing. If consumer incentives become too small to drive action, programs may be able to motivate retailers to increase the availability or sales of efficient products by providing incentives through a model like Market Lift. Another key

driver was the opportunity to receive full-category sales data to provide insight into the lighting market, allowing ETO and BPA to make informed decisions about future lighting programs.

## **NEEP**

In 2012, the NEEP Regional Evaluation Measurement and Verification Forum (EM&V Forum) facilitated D&R's development and delivery of Market Lift in the northeast. The pilot offered the opportunity for coordination among implementation and evaluation staff, and across jurisdictions. Key objectives were accessing granular retail sales data for planning, evaluation, and market characterization and testing a program design that offered savings that were net of free-ridership, applicable across jurisdictions, inexpensive to obtain, and easy to understand. Vermont and Massachusetts participated in the pilot through the EM&V Forum.

## **Massachusetts**

The Massachusetts utilities wanted to test a new incentive model with the potential of increasing claimed savings and obtaining full-category sales data. Massachusetts wanted to increase sales above its long-standing standard incentive program. It ran Market Lift concurrently with the existing markdown program to capture additional savings.

## **Vermont**

Efficiency Vermont participated in the pilot to gather information to guide planning efforts. As free-ridership increases, Efficiency Vermont wanted to try a new incentive model that could achieve more savings and allow it to collaborate with other utilities. Another benefit was obtaining full lighting category sales data, critical for understanding market transformation and general lighting trends and obtaining real-time feedback on participation in its programs.

## **Key Lessons**

Testing the Market Lift model in these three programs provided important lessons in program design, retailer recruitment and involvement, and program execution.

## **Program Design Background**

Early involvement of program planners and evaluators helped guide program design. In Oregon and Massachusetts, representatives of the evaluation community participated in program design discussions, which provided direction about what savings for incentivized bulbs would be claimable, appropriate incentives, and suitability of baselines. Manufacturer involvement was critical in obtaining retailer participation in Massachusetts and improving execution. The impact of manufacturer participation is discussed in more detail below.

All three states designed incentive structures to give the retailers options. For example, one scenario provided several per-bulb incentives tied to escalating sales goals, with greater incentives tied to reaching higher sales goals. Another scenario offered smaller increases in incentives corresponding to a series of smaller increases in sales over baseline. However, once D&R calculated the sales baselines, the team saw that these incentive structures did not match the reality of product sales. The preliminary incentive structures were an essential part of the

retail recruitment process, but the pilot did not use them. Rather, each state designed incentive structures to meet the reality of its baseline sales and incentive budget.

In Massachusetts, an existing, concurrent markdown program that paid the retailer for all sales of CFLs, independent of any lift, helped secure retailer participation. Massachusetts also provided the retailer with additional funds to further lower the existing markdown. This approach was effective in achieving lift, but it was costly for the ratepayer.

Calculating “lift” is as much an art as it is a science. All three states used a “net lift” calculation, which determines the difference between sales before and during the promotional period for the test and comparator stores. Lift is the difference between the two. This net lift approach uses comparator store sales to determine market externalities and then “discounts” the lift achieved at the test stores by any lift achieved at the comparator stores to isolate the changes in sales from lift-related activity. An example net lift calculation is presented in Table 2. In the Massachusetts program, the retailer achieved significant increases in product sales, but these sales were discounted by similar or larger increases in the comparator stores. The Massachusetts program also had to substitute stores in Connecticut as comparators when promotions that the team did not anticipate made comparator stores in Colorado no longer suitable for that purpose.

Table 2. Example of Net Lift Calculation

Test store	Test store lift	Comparator lift	Net lift
Palookaville	12%	7%	5%
Springfield	19%	7%	12%
Hometown	(3%)	7%	(10%)
Gotham	9%	7%	2%

The team initially wanted to use multiple states as comparators, but the comparator list was scaled back because of retailer concerns about the scope of the data request.

The Oregon and Vermont programs had fewer issues with identifying appropriate comparators, due in part to the retail partner and in part to their comparators. Oregon used in-state comparators that were also in ETO’s service territory. Vermont chose out-of-state comparators because the small number of stores in the state would have led to very small sample sizes for both test and comparator stores.

Retailers in all three programs submitted data at least monthly. During the last two months of the Massachusetts program, the retailer submitted data weekly. Frequent data delivery gave all members of the team, including retailers and sponsors, a clear understanding of progress toward project goals each month and enabled monthly incentive distribution. The previous pilot in Wisconsin showed that less-frequent data delivery could result in less clarity about progress, which made it difficult for a retailer to adjust as needed to increase sales and capture incentives.

Each state took one of two paths in terms of providing field support to the retail partners. Both Oregon and Vermont provided active field support – in-store assistance with signage, training, stocking, and product displays – for the test stores. Oregon also provided monitoring of comparator stores. Field support in Massachusetts was limited to one weekend in one store.

### Program Design Lessons Learned

**Engaging the key players from the beginning is vital.** Evaluators help guide the selection of comparators and incentive structure design. Manufacturers can influence product supply, display,

and pricing, as well as store promotional activities. Including store-level managers in planning captures their insights about stores and staff and helps get their support of the project.

**Working with the calendar is tricky.** Program administrators' ability to plan and implement a program is influenced by their schedules. Budget cycles dictate amount and timing of funds availability. Hearing schedules affect evaluator involvement. Planning around these schedules when developing the pilot will help create realistic timelines. Working with a retailer's planning cycle and the product-selling season makes this even more complicated.

**Calculating lift frequently helps all team members.** Calculating lift often gives sponsors access to full-category data – for all medium screw-base lamp models in this pilot – for multiple stores and regions. This provides insights about how external factors may be influencing sales at test stores and in the market as a whole and how activity at test stores may be affecting sales.

**Selecting comparator stores is complicated.** Comparator stores can be influenced by forces out of a program's control, including weather, unanticipated promotions, complicated stocking habits, or store closures. Increasing the number of comparators places increased burden on retailers, who need sufficient incentives to compensate for the effort. Choosing nearby states or stores can make it easier to identify the cause of unanticipated sales increases.

### **Retail Recruitment/Involvement Background**

D&R and BPA pitched involvement in these pilots to eight retailers, who generally had strong initial interest in a program model that would incentivize the retailer to sell more, let the retailer use whatever marketing activities it liked, and allow flexibility about which products to promote. This initial interaction and support didn't necessarily translate into participation. The retailers who liked the program design but chose not to participate did so for a variety of reasons, many of which provide lessons for efficiency programs' work with retailers.

### **Retail Recruitment/Involvement Lessons Learned**

**Resource constraints affect willingness to participate.** One reason retailers cited for not participating is the resources required to participate in a pilot. While they indicated interest in the Market Lift model, their organizations are oriented toward the buy-down model prevalent in energy efficiency programs. Redirecting resources to participate in a pilot was too risky for retailers without evidence that Market Lift programs would likely proliferate. Developing a larger critical mass of participating programs in future pilots would help address this.

**Existing relationships are influential.** Some efficiency program service providers told retailers that they and their utility clients were opposed to developing a new model for efficiency programs. The retailers who heard this were reluctant to risk upsetting existing clients to test a new model. Getting utility and efficiency program support would help with retailer recruitment.

**Data requirements can make recruitment difficult.** Sales data is proprietary and closely guarded. While retailers have been willing to provide sales data for national programs such as ENERGY STAR and the State Energy Efficient Appliance Rebate Program, providing a new set of full-category sales data for a pilot program was a difficult sell. One retailer reported that it was

not sharing any sales data with efficiency programs due to problems with past data releases. Another reported that data sharing could happen only in a coordinated fashion that affected many programs, and this pilot did not meet that test. A third retailer said that sharing data with one efficiency program would lead to a flood of requests from other programs and it was unwilling to set this precedent. Having efficiency programs develop a consensus on their data needs to effectively monitor and evaluate their programs would be an important step to address this.

**Legal agreements can be sticking points.** Legal issues prevented one retailer from participating in the Massachusetts pilot as initially planned. When differences regarding the language in the MOU could not be resolved, the retailer's participation was abandoned. Unfortunately these types of challenges surrounding legal agreements are difficult to plan for.

The key lesson from these interactions is that while strong anecdotal evidence suggests that retailers would support a shift away from the current efficiency program buy-down model, such a change would require a much more coordinated effort on the part of efficiency programs than currently exists. Most retail organizations are structured to meet the needs of a buy-down program; developing and testing new models for residential lighting efficiency programs may best be done with retailers not currently participating in traditional efficiency programs.

### **Program Execution Background**

Program execution provided an opportunity to observe and influence the Market Lift model in action in three states. Conducting the pilot across multiple states with two different retailers and variations in program design posed several challenges, including corporate offices or manufacturers who were at times not aware of the promotional efforts implemented by store-level managers. Field support turned out to be a key element in the pilots.

It is difficult to make comparisons among the programs or draw conclusions because of the differences between the retail partners. The Oregon and Vermont pilots worked with a retailer for whom lighting was not a priority product; it had limited inventory and in-store support for customers. On the other hand, Massachusetts worked with a retailer who had a highly engaged manufacturing partner and a long history of successful efficiency program work.

In the design phase, the project team met with the corporate office of the retailer for Vermont and Oregon and the manufacturer for Massachusetts. The retail corporate office may not have had enough knowledge of or influence on store-level promotion and implementation, and it committed to tactics that were not implemented at the stores. For example, the retailer said the test stores could use special mobile displays in highly visible store locations. During the promotional period, the retailer reported that the displays were not available to the test stores because other stores had requested them. For future efforts, having the corporate office facilitate introductions between store-level sales staff and sponsor organizations would encourage stronger relationships and a better understanding of what tactics the stores might employ.

Elements of larger retail efforts affected the execution of the pilot, too. Corporate offices developed new planograms – directions for layout and product placement on the shelves – to encourage sales of target products. In at least one case, planned lighting resets changed the models available in stores, which necessitated changes to the planograms. Some stores were slow to implement the planograms and were hesitant to allow the field support staff to do so because of lack of awareness of the program. In one instance, the retailer had not ordered sufficient product, causing a temporary shortage of CFLs during the promotional period.



Vermont and Oregon offered field support, including training sales associates about the promotion, assisting with merchandizing activities and tidying product shelves, creating and staffing in-store events, and developing point-of-purchase material, though Kmart did not take full advantage of this assistance, largely due to issues related to its staffing levels, product stocking, and inventory. Massachusetts provided support for one in-store event in the last month of the pilot. A future strategy may be to offer only services that the retailer requests, unless the retailer is unsure of what it needs, in which case the sponsors should offer basic support.

Manufacturer involvement was critical to the execution of the pilot. In Massachusetts, all planning and implementation meetings were held with the manufacturer, who implemented the program on behalf of the retailer. It is unclear whether the retailer would have participated without the manufacturer in this role. The Oregon and Vermont programs engaged the manufacturer late, and it ultimately had little impact on their outcomes. The manufacturer tried to support in-store activities, but getting more inventory to the test stores was a hurdle. ETO and the Vermont Energy Investment Corporation (VEIC) believe that involving the manufacturer earlier would have been useful.

These programs demonstrated that some retailers will provide full-category historical and current sales data. All retailers who participated in the pilot delivered all the required data. In one case, a retailer delivered data weekly within 2-5 business days of the close of the relevant period, allowing an unprecedented view of program progress. However, program data requirements were obstacles to participation for many retailers. It is important to note that all data delivery was governed by MOUs and NDAs that specified what data was required; who would receive it, hold it, and analyze it; and who could see it.

While terms of the NDAs do not permit sharing of details of the sales data, the analysis of full-category sales data for the lift and comparator areas provides greater insight into the lighting market. Sponsors hoped to use this data to target low-performing stores to help boost sales.

### **Program Execution Lessons Learned**

**Field support drives success.** Field support for retailers is a valued, valuable service. All but one of the retailers approached about participating requested in-store field support and the lack of in-store support was seen as a drawback.. The data for this pilot shows that when field support teams help store personnel arrange end-caps, restock shelves, and place signage, sales of the promoted products increase. In Oregon, field support staff provided early warning about concerns with product stocking and inventory and issues with planogram implementation. Their insights helped focus the program on solving these critical issues.

### **Store-level involvement is at least as important as corporate-level involvement.**

Understanding the relationship between the corporate office and store-level leadership is essential to determining and delivering the types of support needed to ensure implementation by store management. Corporate-level commitments alone cannot achieve lift; store-level support is vital. Future programs would benefit from extra effort to better understand the relationship between the corporate office and the stores and to cultivate the buy-in of store-level leadership.

**Early manufacturer engagement makes a big difference.** Manufacturer engagement is critical in the design and execution of a Market Lift program. The manufacturer can influence product supply and display, pricing, and in-store promotional activities. An engaged manufacturer matters. Under the Market Lift paradigm, it is nominally the role of the retailer to engage with

the manufacturer, but efficiency programs should conduct their own outreach, especially to assist with field support activities.

**Data demands.** Retailers expressed concern about the demands of providing data, but the participating retailers did provide it, giving sponsors a robust data set. Future sponsors of Market Lift programs should make sure to provide proper incentives and support to retailers for the privilege of obtaining this data.

## State-Specific Lessons Learned

### Oregon Lessons Learned

**Leverage retailer strengths.** Lift programs should work with retailers who have a focus on the targeted product. The retail partner in Oregon did not have a large focus on selling general purpose CFLs, so the lift achieved was minimal because sales were consistently low. Partnering with a retailer with a stronger emphasis on lighting might have provided more insight into the effectiveness of Market Lift.

**Field visits and support are critical.** Field visits provided the project team with valuable insight into what was occurring in lift and non-lift stores for the duration of the program, and enabled the project team make mid-effort adjustments, resulting in increased lift toward the end of the program. The retailer gave field staff the authority to assist with merchandising, including executing planograms. Field staff also documented product pricing to enable analysis of the effectiveness of reduced pricing. They also reported inadequate stock and engaged with the manufacturer, who worked with retail management to replenish stock. This underscored the importance of manufacturer engagement.

**Incentivize and Require Program Planning Efforts.** ETO and BPA offered the retailer support and incentives for developing a project plan detailing its strategies and for developing training materials, but the retailer did neither. Future efforts should consider requiring the retailer to develop a project plan and training materials.

Table 3. Oregon results

Program period		% lift	
Start	End	A2-A4	A5
3/1/2013	3/15/2013	13.76%	-
3/16/2013	3/31/2013	-	22.22%
4/1/2013	4/15/2013	-	-
4/16/2013	4/30/2013	32.85%	55.56%
5/1/2013	5/15/2013	-	77.78%
5/16/2013	5/31/2013	61.76%	-
6/1/2013	6/15/2013	36.73%	277.78%
6/16/2013	6/30/2013	-	-
7/1/2013	7/15/2013	-	-
7/16/2013	7/31/2013	27.76%	-
8/1/2013	8/15/2013	31.82%	66.67%
8/16/2013	8/31/2013	-	-

Note: "--" indicates no positive lift.

## Massachusetts Lessons Learned

**Identifying comparators is challenging.** Finding a true comparator is challenging, and once a comparator is selected, forces beyond control like weather or that the historical data cannot help predict can make the comparator unsuitable. One chosen comparator had unusually high sales resulting from discounts on a discontinued product option. Working with retailers with complicated stocking habits would make comparator selection even more complicated.

**Data offers great insight.** The pilot was effective at obtaining sales data, which provided insight into the lighting market and the environment in which Massachusetts programs operate.

**Engaging retailers is challenging.** National corporate goals can overshadow state-level efforts to achieve lift. Aligning programs nationally could be successful. Incentives must be significant enough to attract retailer interest. In Massachusetts, the retailer generally received a per-bulb incentive that was lower than incentives offered through buy-down programs.

**In-store support is critical.** In-store support like consumer education events, assistance with merchandising, and addressing any stock shortages could help retailers achieve lift.

Table 4. Massachusetts results

Program period		% lift	
Start	End	13W	23W
9/1/2013	10/31/2013	12.3%	26.1%
11/1/2013	12/31/2013	-	-
1/1/2014	2/28/2014	35.3%	21%

Note: “-“ indicates no positive lift.

## Vermont Lessons Learned

**Identify the partner with the resources to increase product sales.** The disconnect between the corporate and local level is a major concern, and it affects program success. Shifting from a retailer partnership to a manufacturer partnership is one possible strategy, as the manufacturer might be able to send account representatives to stores and focus solely on its products.

**Ask the retailer what it needs to succeed.** The retailer might not want non-performance incentives if it doesn't have the bandwidth to respond. Meeting with corporate management or deploying field staff for in-store activities may be more effective and yield better engagement.

Table 5. Vermont results

Program period		% lift
Start	Start	
5/1/2013	5/15/2013	-
5/16/2013	5/31/2013	-
6/1/2013	6/15/2013	-
6/16/2013	6/30/2013	21.25%
7/1/2013	7/15/2013	37.32%
7/16/2013	7/31/2013	3.96%
8/1/2013	8/15/2013	-
8/16/2013	8/31/2013	128.89%
9/1/2013	9/15/2013	14.95%
9/16/2013	9/30/2013	-
10/1/2013	10/15/2013	-
10/16/2013	10/31/2013	-
11/1/2013	11/15/2013	61.48%
11/16/2013	11/30/2013	28.54%
12/1/2013	12/15/2013	62.75%
12/16/2013	12/31/2013	82.49%

Note: “-“ indicates no positive lift.

## Final Takeaways and Recommendations

This pilot had several notable accomplishments, and it provides key lessons for future Market Lift efforts, as well as for other innovative program design tests. Key findings include the following:

- *Market Lift works.* All three states experienced some lift in product sales, resulting in claimable savings. The lift and savings varied by state, but the pilot clearly demonstrates that the Market Lift model can provide significant sales increases and energy savings.
- *The pilot failed to deliver the desired sales data.* One objective of the pilot was to develop a set of full-category sales data that could be used to analyze the lighting market post-EISA. While the pilot generated significant state-level data that provided important insights into local markets, it did not provide sufficient data for the post-EISA analysis.
- *Lighting retailers are conditioned to participate in buy-down programs.* The large amount of money being spent by efficiency programs on lighting products has lighting retailers directing their limited resources to participating in familiar buy-down programs. Attempts to create a new model should, if possible, be coordinated among multiple programs, demonstrate a longitudinal commitment to the model, have sufficient incentive dollars to make participation attractive to retailers, and be prepared for institutional resistance from stakeholders who are invested in the current model.
- *Acquiring the sales data necessary to provide a granular understanding of changes in the lighting market and efficiency programs’ effects on the market will require creativity and coordination.* Retailers are comfortable with the data requirements of existing buy-down programs, and expanding those data requirements for a Market Lift program can be

difficult. Under the current program paradigm, to get this more detailed data, efficiency programs will need to provide retailers with a compelling rationale, secure storage, and possibly financial incentives.

- *The model needs more testing.* While the three state-level programs demonstrate various levels of increased bulb sales, the model needs additional testing and refining to address the issues raised in this paper.

There are currently three other Market Lift efforts in various stages across the country:

- New York State Energy Research and Development Authority's (NYSERDA) residential lighting program in New York.
- BPA/Northwest Energy Efficiency Alliance's (NEEA) Commercial Lighting Market Shift program in Oregon, Washington, and Idaho.
- Midwest Energy Efficiency Alliance's (MEEA) nascent commercial lighting lift program.

Monitoring these programs will help identify additional lessons that can be applied to improve the success of future efforts. The recent programs in the Residential Lighting Market Lift pilot have already yielded the following results:

- *Demonstrating that committed retail partner can increase product sales.* Achieving lift is highly dependent on retail actions and activities, so a Program Plan that sets out how the retailer will work to achieve lift throughout the period of performance is a necessary element of the project. Monitoring that plan, meeting regularly with the retailer to review it and discuss appropriate adjustments, and understanding how various activities affect sales are vital to achieving meaningful lift and energy savings.
- *Obtaining a more robust set of data is possible, but difficult.* It requires significant legal agreements, extra work from the retailer, and a relationship built on trust. Simple contractual demands for more robust data are unlikely to be successful absent incentives and assurances about data security and privacy.
- *Field support is valuable and valued.* Effective field support drives sales, demonstrates the sponsor's commitment to project success, and gives the sponsor the opportunity to increase sales of target products.
- *Market Lift works.* Despite the challenges faced throughout the pilot, retailers in all three states achieved lift.