



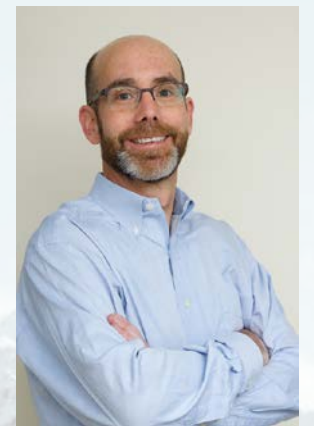
Keeping the Lights On: Navigating the Changing Landscape of Retail Lighting

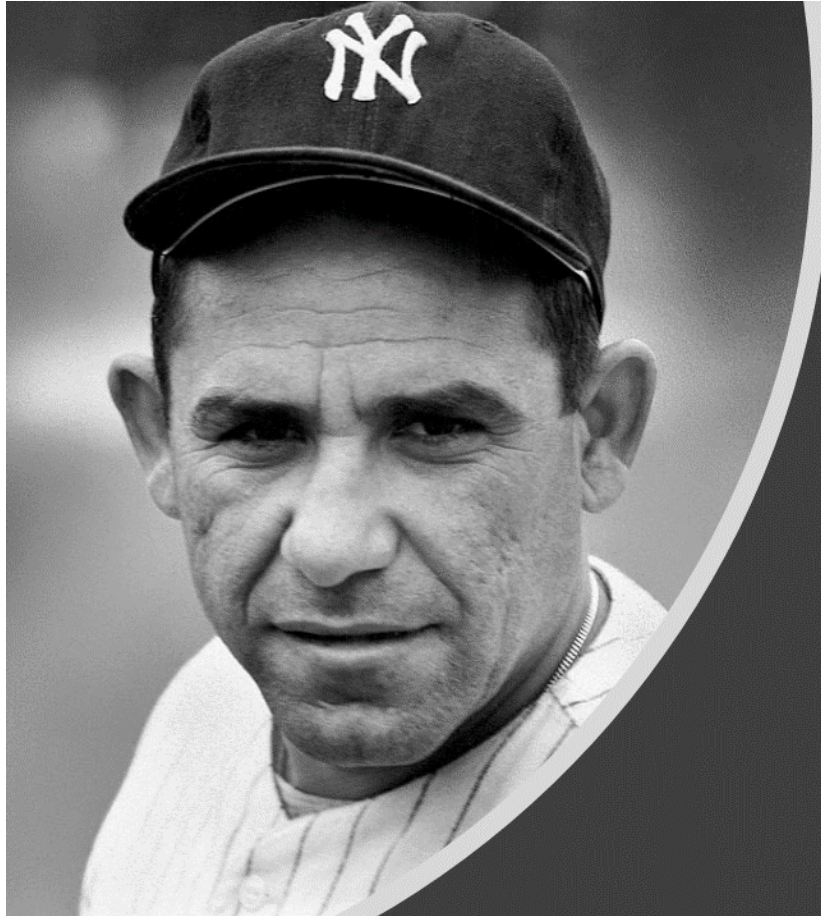
ENERGY STAR Partner Meeting

October 28, 2020

Mr. Scott Dimetrosky

President, Apex Analytics and
Founder of CREED LightTracker





It's like déjà
vu, all over
again.

~Yogi Berra



- What does the market for LEDs really look like?
- What are programs doing in the near term?
- What is the implication for energy efficiency programs in the future?





WHAT IS THE STATE OF THE CURRENT LED MARKET?

CREED LightTracker Data Sources



- CREED combines POS and Panel data to provide the best available picture of lighting sales, while calibrating to secondary data sources

POS Data



~40% of total market

+

Panel Data



~60% of total market

=

Total
Market
Sales

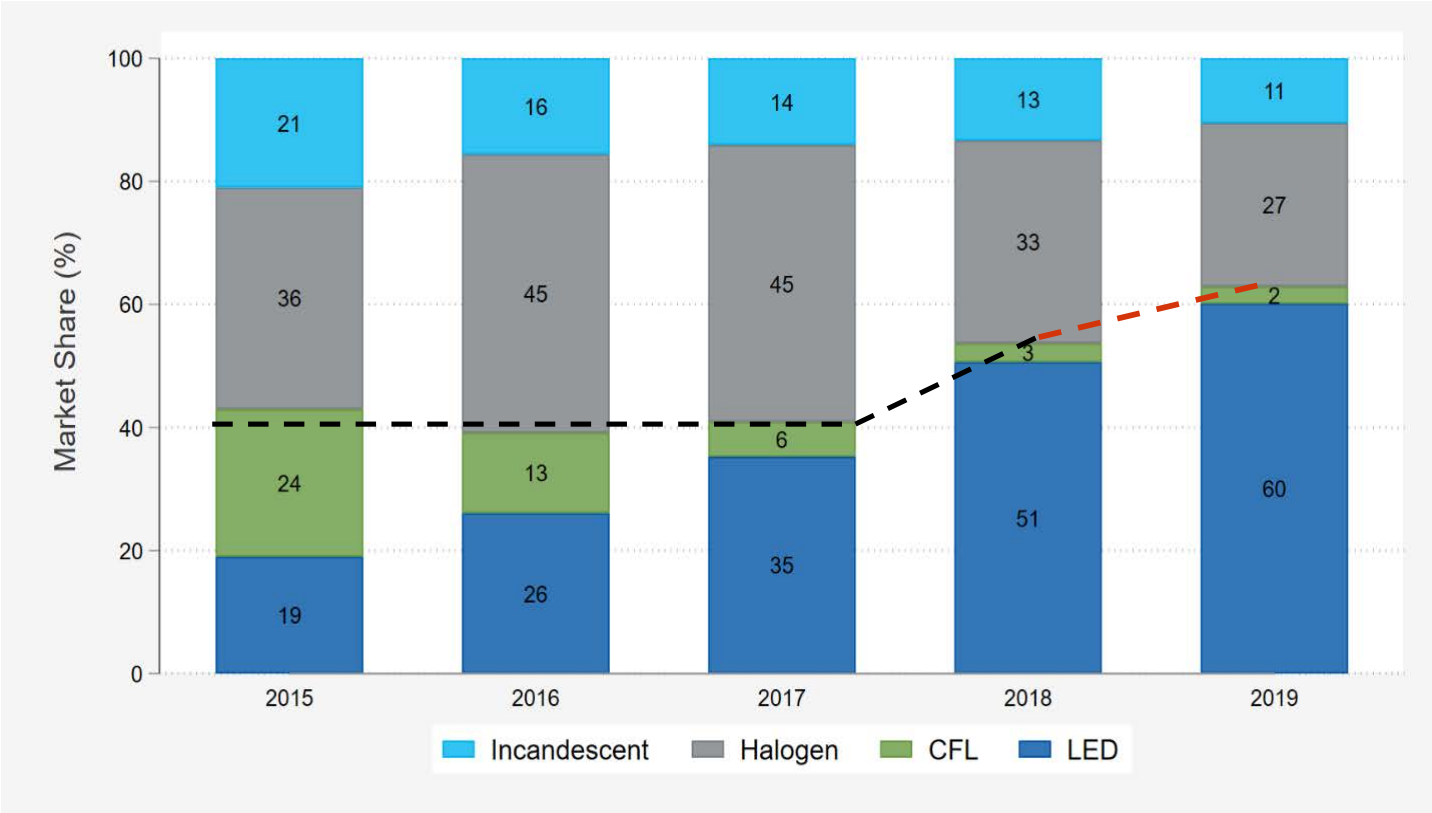
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100% of total market



- Efficient Lamps Continue Large Increase in 2020

Total U.S. Market Share by Lamp Type and Year

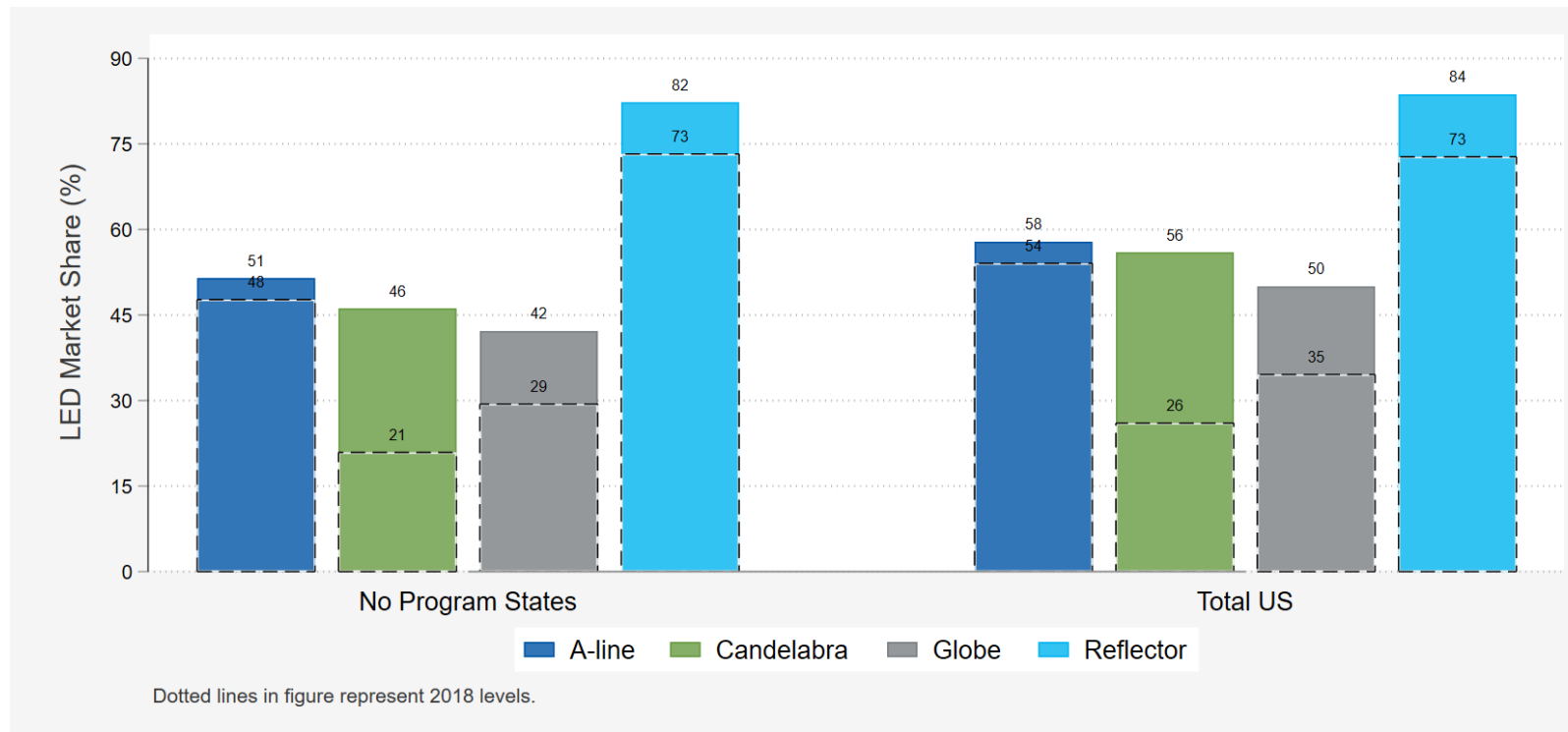


LED Market Share of A-Lines and Specialty Bulbs

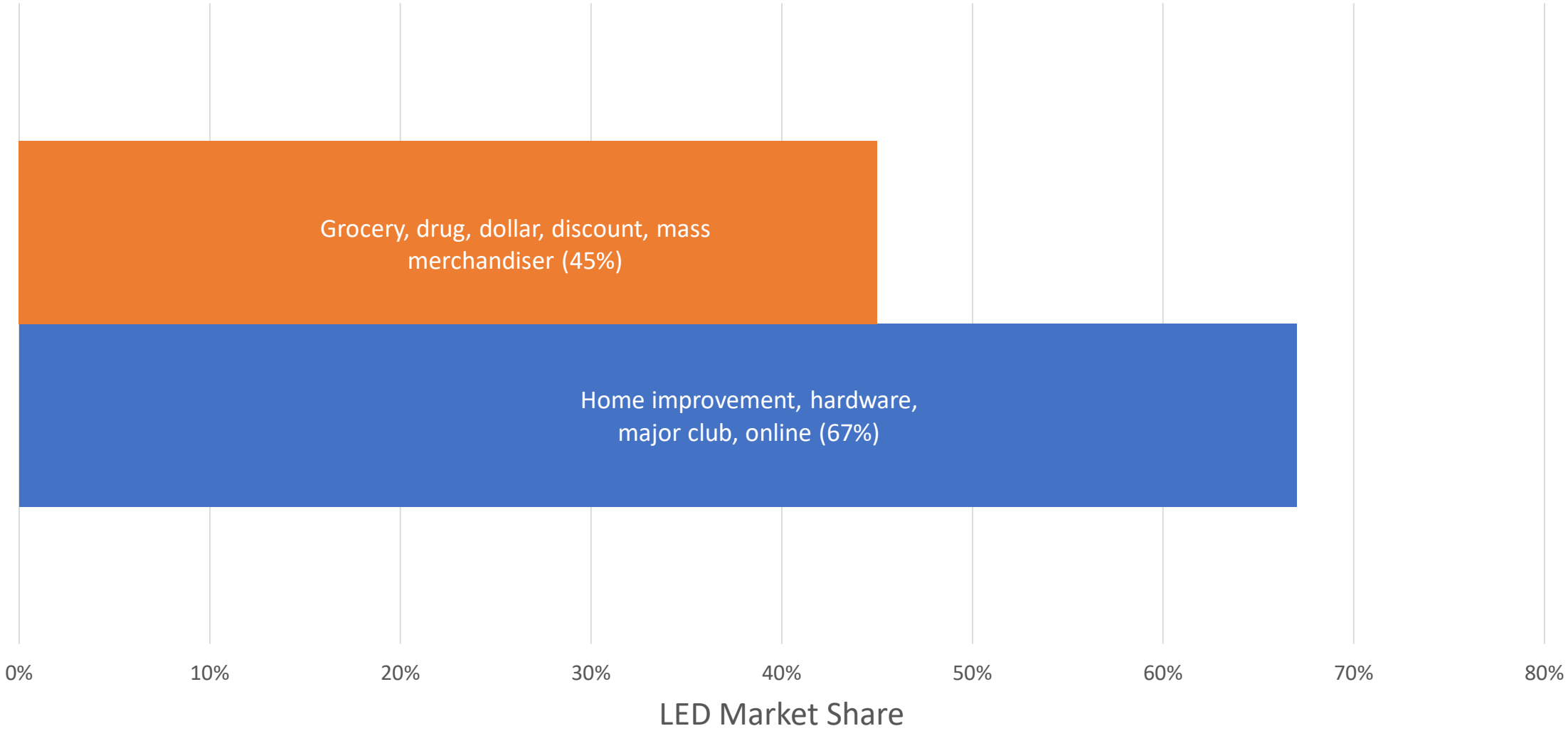


- Large gains among the specialty lamps
- Reflectors: Large LEDs even in non-program areas

2018-2019 U.S. LED Market Share of A-Line and Specialty Lamps



Total U.S. LED Market Share by Channel (2019)

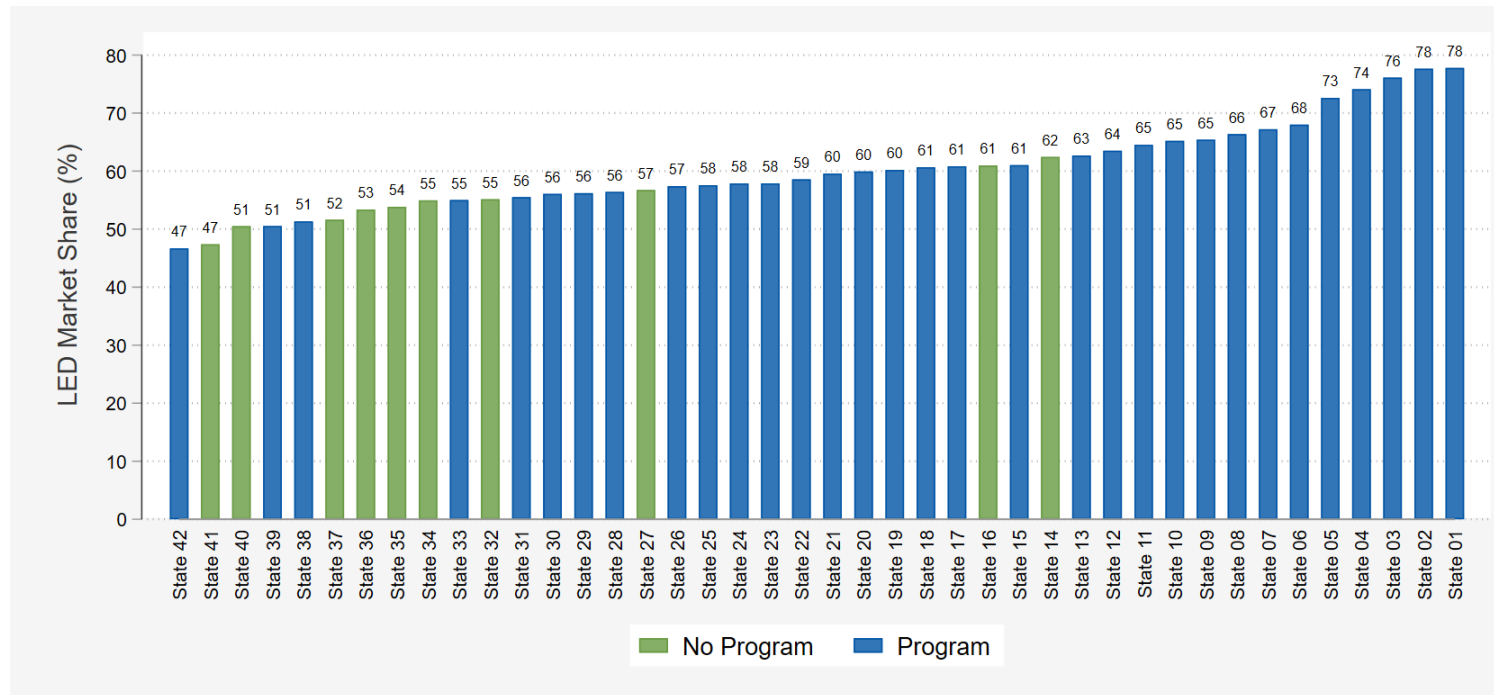


LED Market Share by Program Status



- Non-Program states tend to have lowest LED shares

2019 U.S. LED Market Share by Program vs. Non-Program

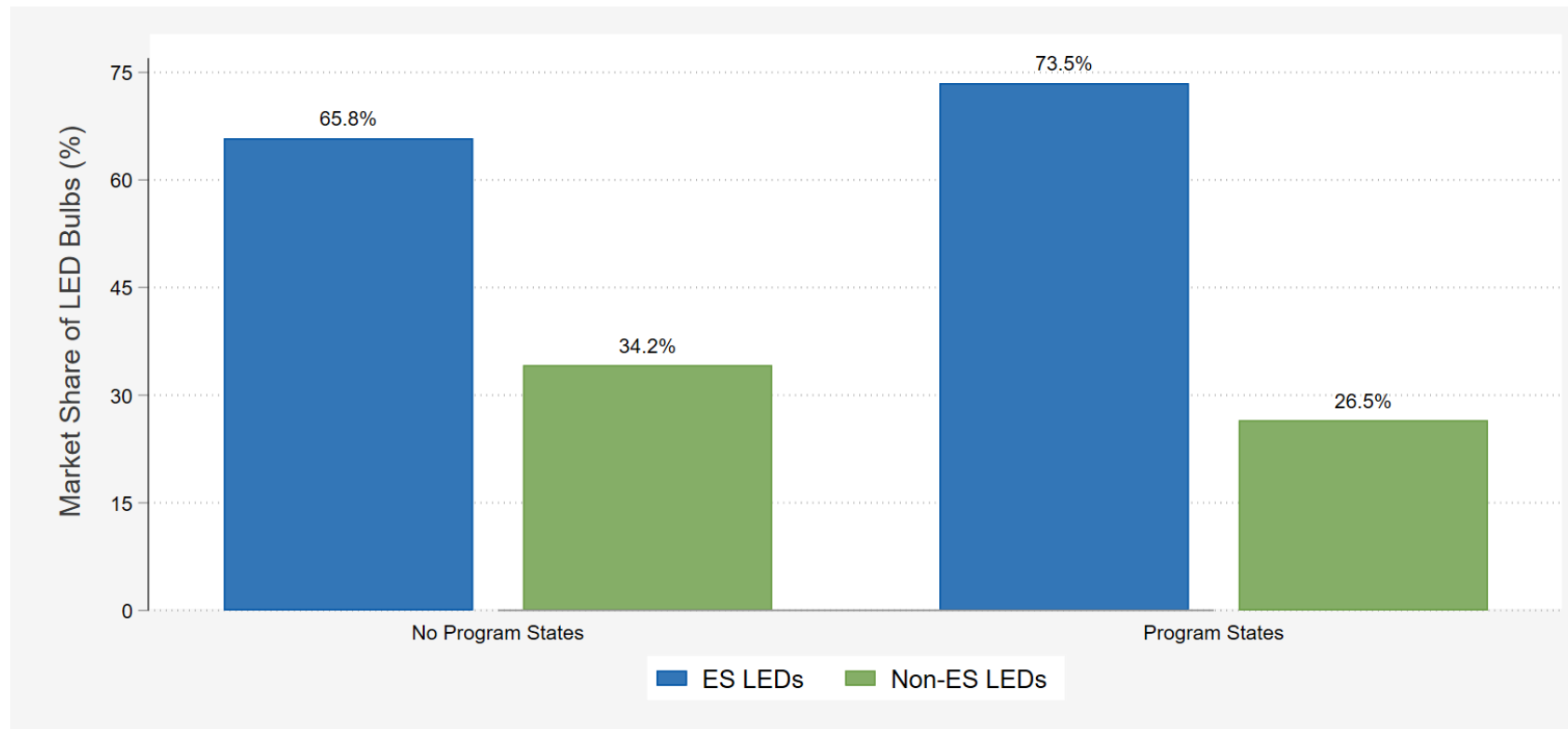


LED Market Share by ENERGY STAR Rating



- Program states show higher ENERGY STAR sales

2019 U.S. LED Market Share by Program vs. Non-Program and ENERGY STAR rating





WHAT ARE PROGRAMS DOING
IN THE NEAR TERM?



- Most retail programs: few changes
 - Offering all styles/channels
 - Lighting remains the largest residential measure
- Programs “on the brink” brought back
 - New York, Maryland
- Some states ending programs
 - Pennsylvania, Massachusetts





However...

Some changes in savings assumptions

- Decreases in NTG (as low as 25%)
- Decreases in lifetime (as low as 3-4 years)

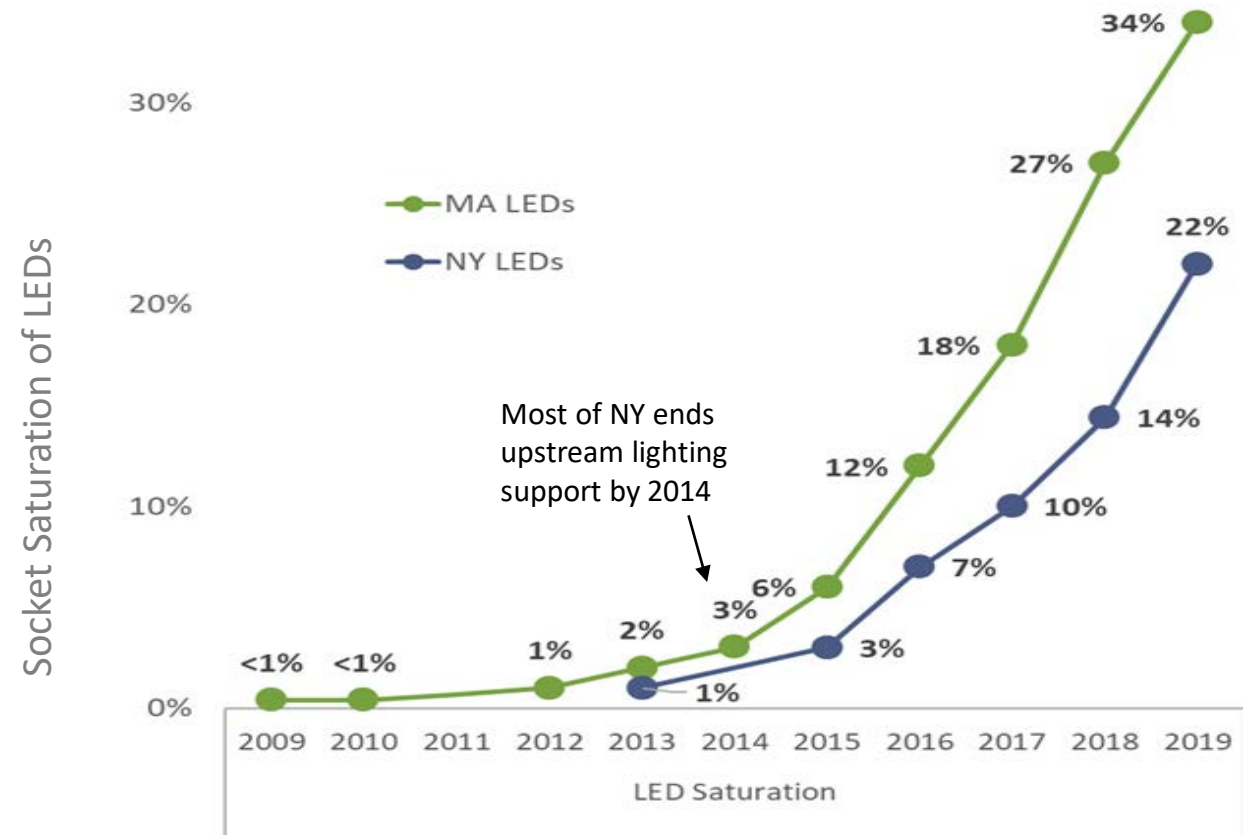
But changes are varied and highly inconsistent

- Some states: EISA is gone, 15+ year measure life!



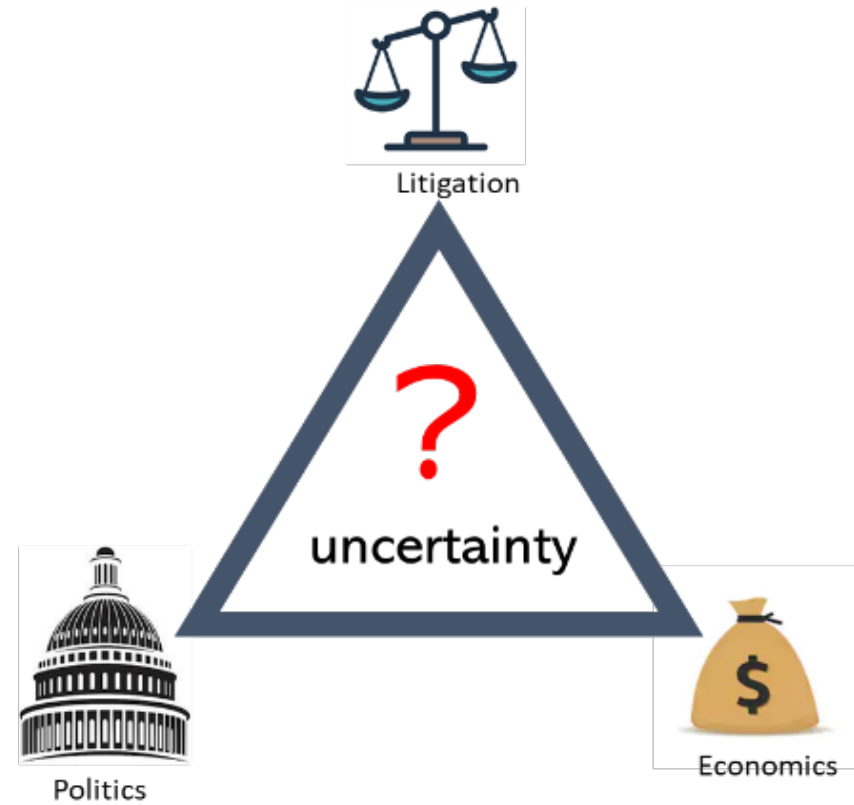
WHAT IS THE IMPLICATION FOR
PROGRAMS IN THE LONG TERM?

Risk of Terminating Programs Too Early



Source: NMR Group, Inc. 2018-19 MA Residential Lighting Market Assessment Study

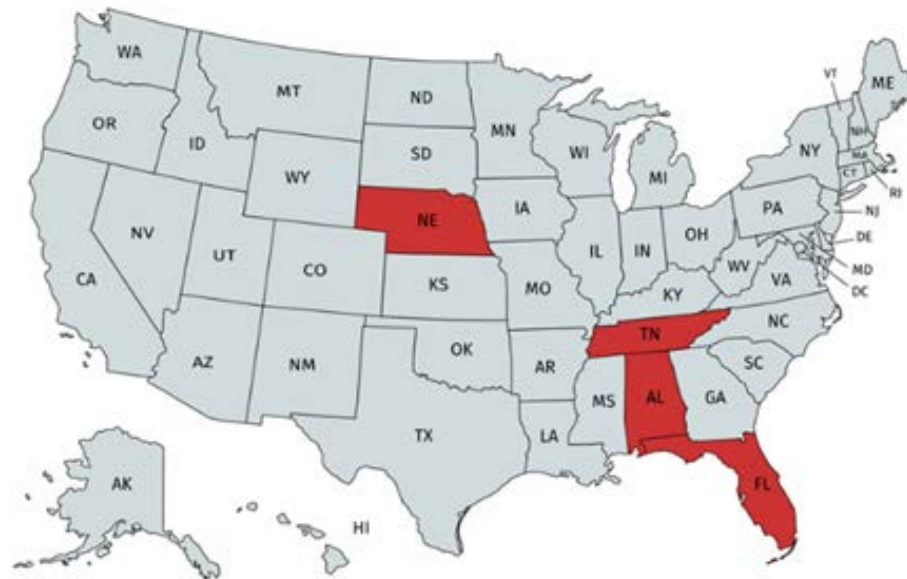
Future of Lighting: It's a Complex Web



Does EISA Even Matter?



- LEDs gaining share, with or without EISA
- Design programs to maximize impact (e.g., selected styles, channels)
- Important to continue to monitor the market
 - Upcoming shelf-stocking study in non-program states





- Programs will need to transition
- What's next?





APEX
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Lisa McLeer

Marketing Manager

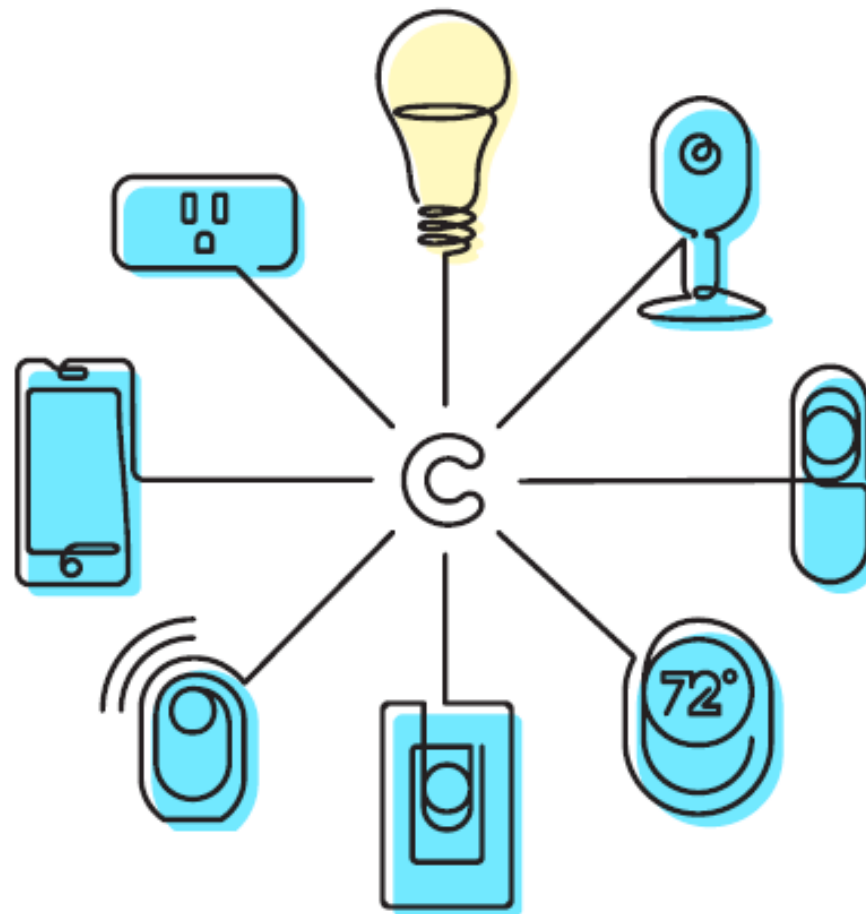
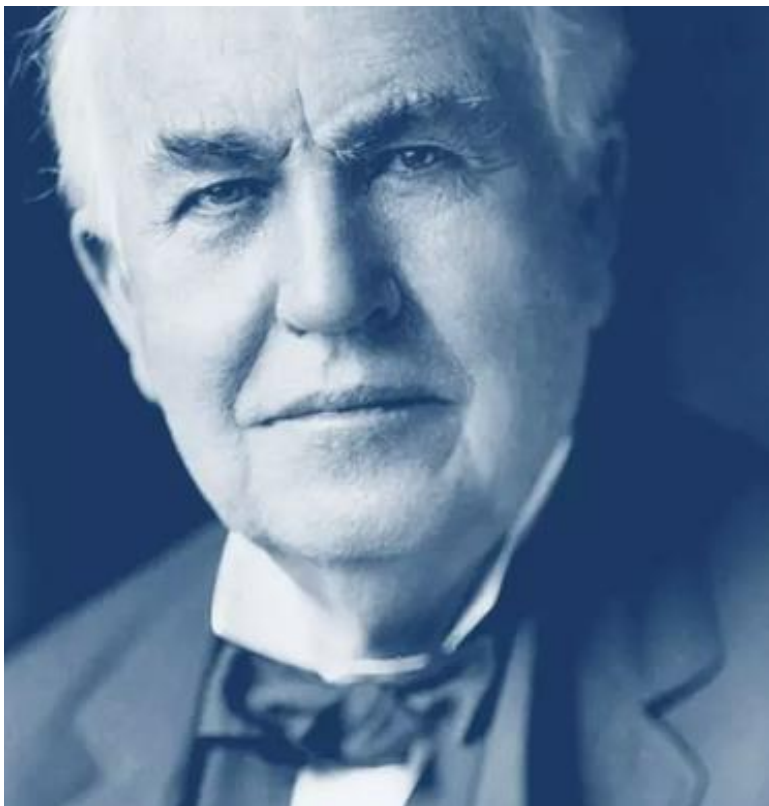


Keeping the Lights On: A New Environment for Lighting Programs

28 October 2020



GE Lighting, a Savant company



Reinventing the Future, again

2020 – The Impact of Covid

Sales: Many channels see steady growth

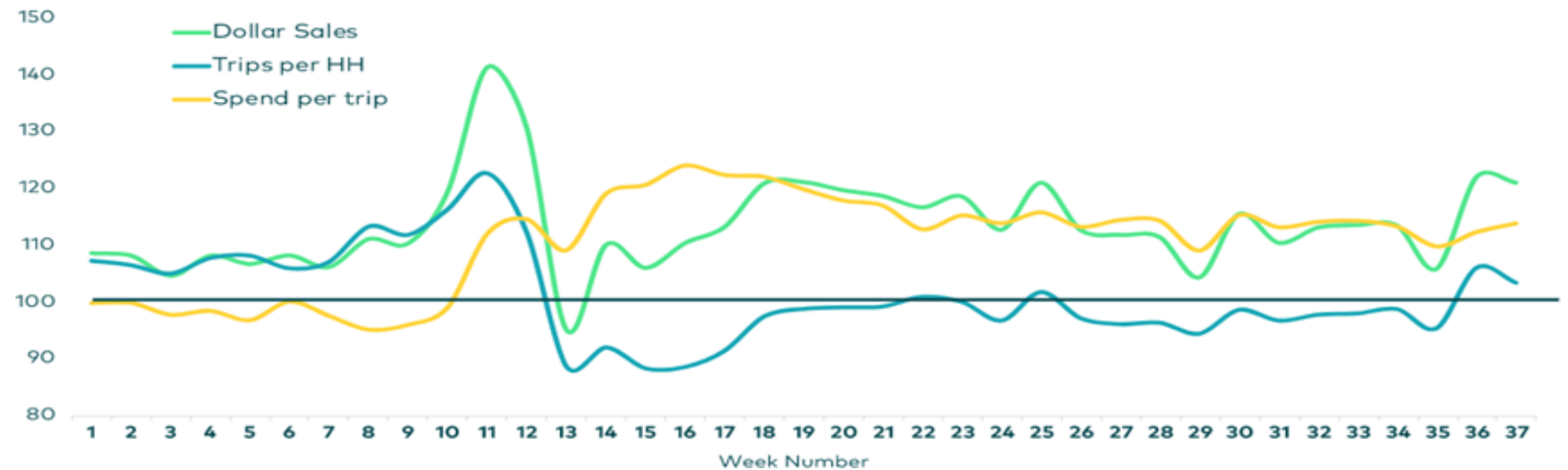
- Dollar, Club, Food, Mass remain steady
- (HC) Home Center & Online remain strong
- Electronics sales drop after Back to School

Trips per HH slightly below last year

- Majority of (B&M) Brick and Mortar channels track slightly below LY's trips per HH
- except Online & HC

Omnichannel Shopping Behavior

Sales, Trips per HH & Spend per Trip vs. Year Ago



Spend per trip remains up across nearly all B&M channels

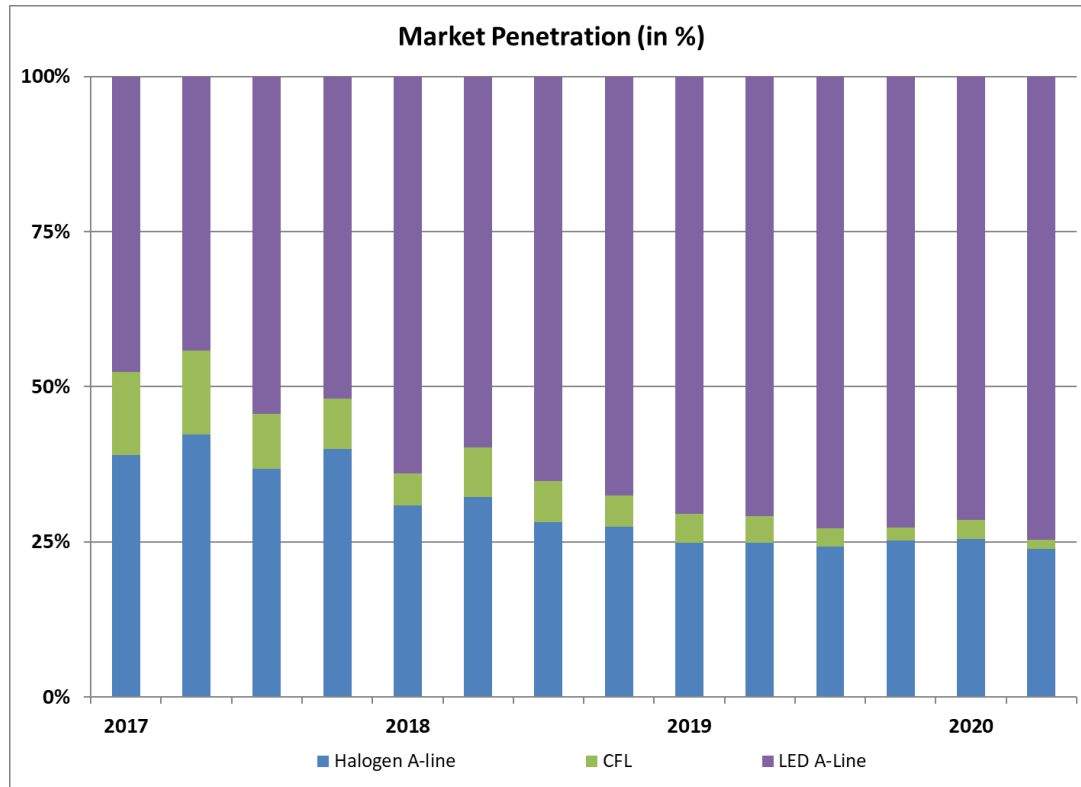
- Consumers continue to fill their baskets to sustain elevated consumption at home

HHs out shopping remains steady in most channels

- HC & Online remain elevated vs. LY
- Online delivery and click-and-collect services continue to attract new users

2020 – Lighting

Aline Lamps Shipped into Market



Source: NEMA

- Number of lightbulbs sold continues to decline, year over year.
- Covid effect: Consumers purchasing more essentials including lighting, as they are spending more time at home.
- Per NEMA, LED and CFL Aline is ~75%, but this isn't ALL light bulbs.



2020 – ENERGY STAR and Utility Programs

Now more relevant than ever!

More people are spending more time at home, and need lighting that is:

- Good lighting - an essential
 - Affordable
 - Energy Efficient
- About 25% of U.S. households face a high energy burden, meaning they put more than 6% of their income toward energy bills, according to a new [report](#) from The American Council for an Energy-Efficient Economy (ACEEE).
 - Low-income households experience a disproportionately higher energy burden, with 67% (25.8 million) of low-income households facing a high energy burden.

<https://www.aceee.org/energy-burden>

Lighting Trends

LED is THE energy efficient lighting technology; longer lasting with capabilities to meet a variety of consumers' needs.



Retailer Highlights

Lowe's

New POG (plan-o-gram) launched in May

- Added 56 new ENERGY STAR product packages!
- Added entirely new platforms (LED+, Connected, Color-select Retrofits) while expanding others (ultra bright).
- Enhanced light boxes to showcase color temp and smart/functional product.
- Incorporated utility shelf tags to highlight the regular price and credit the utility for the discount.



Off Shelf Promotions

Floor Displays



Flexible!

- Variety of options to choose from
- From one store to many
- *Light the Moment* graphic on trays
- Utility signage executed in store

Endcaps



XXL Signage!

- Utility Logo Space is 39" x 12" or 24" x 9"
- Draws attention to the department
- Seasonal

Walmart

Pre-printed Utility Shelf Tags

Includes:

- Was/Now pricing
- ENERGY STAR
- Utility logo



Left side



Right side



Saves over \$80 on energy per bulb

Lasts 13 years

Instant on

see package for details

GE Utility Pallets shipped quarterly

Includes:

- ENERGY STAR and *Light the Moment* branding
- Designated space for utility messaging

HELP PROTECT THE ENVIRONMENT
Replace your old, inefficient bulbs with ENERGY STAR and join us in:

- ✓ Saving \$566 million each year in energy costs.
- ✓ Preventing 7 billion pounds of carbon pollution.

Your Moments. Your World.
Light them with ENERGY STAR®



Learn more at:
www.energystar.gov/lightthemoment



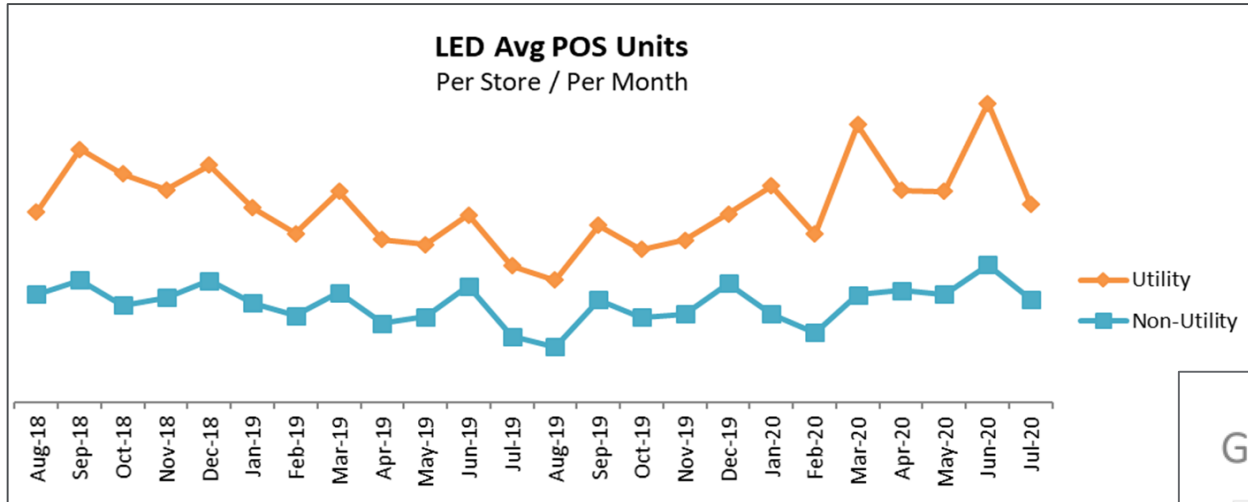
Great Value Endcap Trays

Includes:

- ENERGY STAR
- Assembled in USA

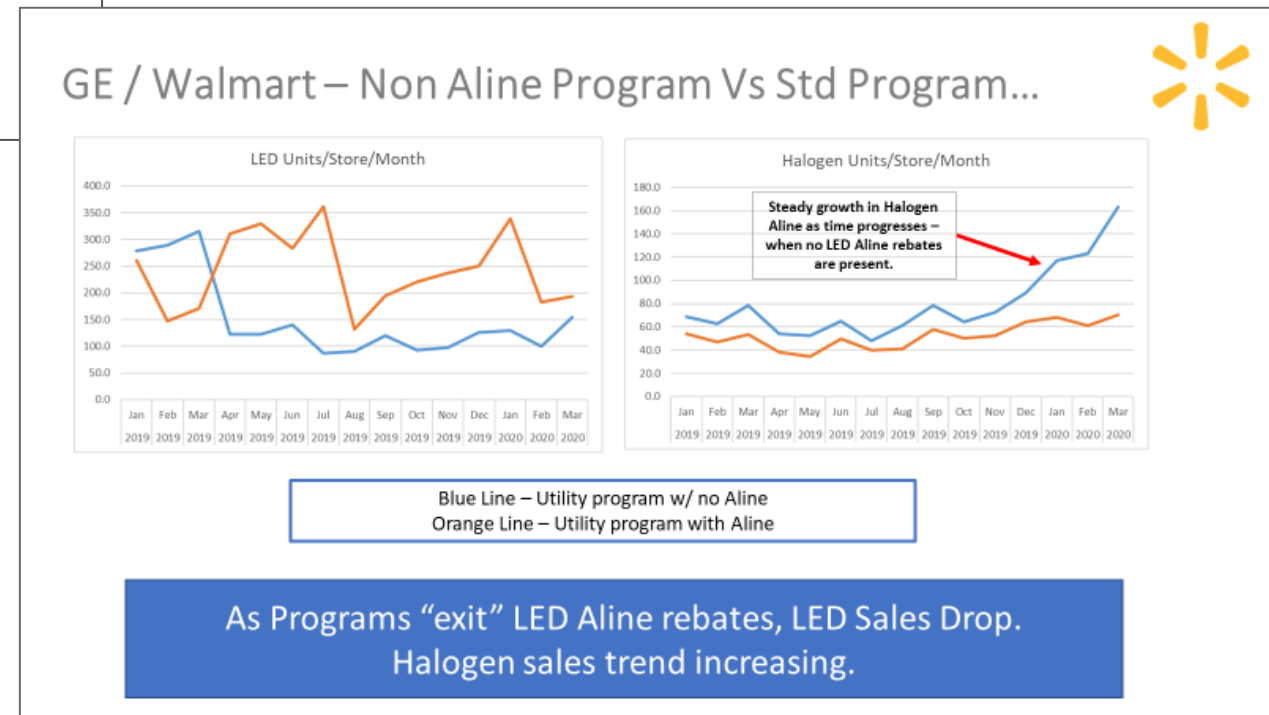


Walmart



Rebate Programs Drive conversion

- ✓ Stores with Utility Programs sell more LED than Non-Utility



Target

New planogram launched in June
Simplified set with improved signage
Light Boxes for HD – shop by room



Target



Off Shelf promotion 20 count shipper display unit

- 60W LED HD Relax 4pk
- Set-up in store will vary by location
- Utility message



Utility Message 6x18 vertical sign

Utility Labels on shelf next to Target regular retail & temporary price-cut sign

Look for the **ENERGY STAR**[®]
when shopping for efficient, quality LEDs.

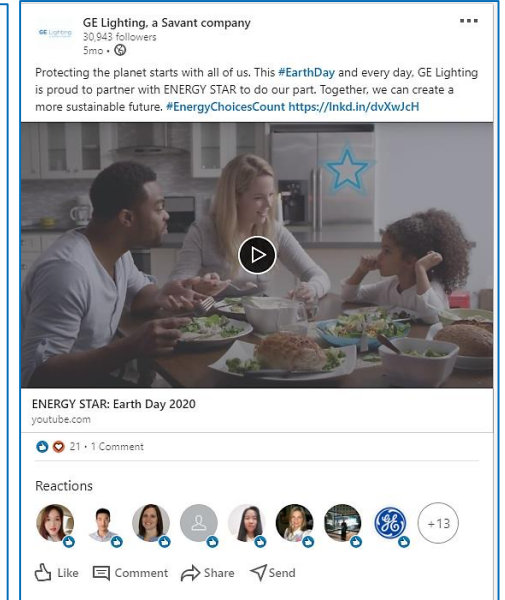
Make them bright or dim them down to set the mood.



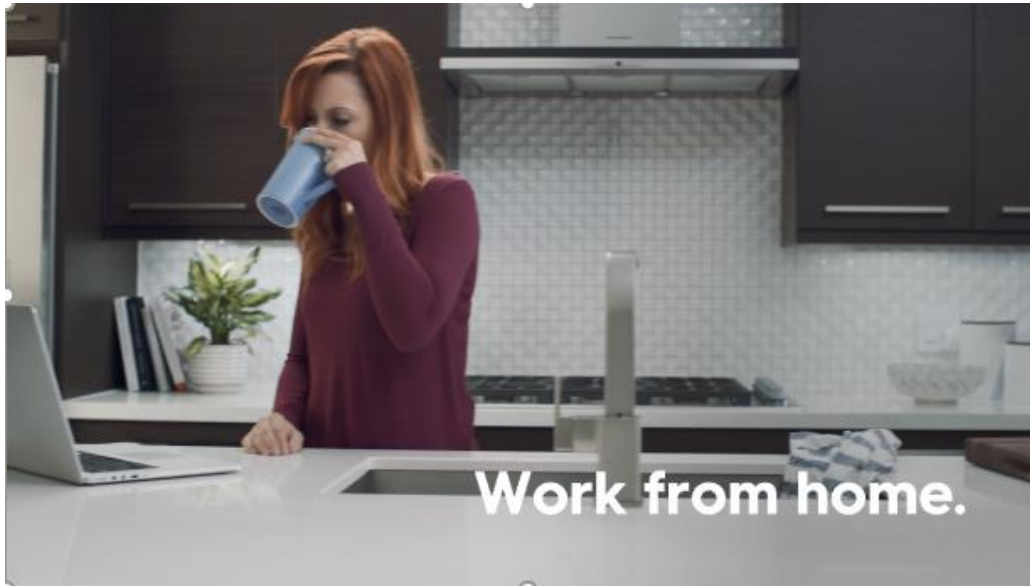
Getting the Word Out..

PR and Social Media

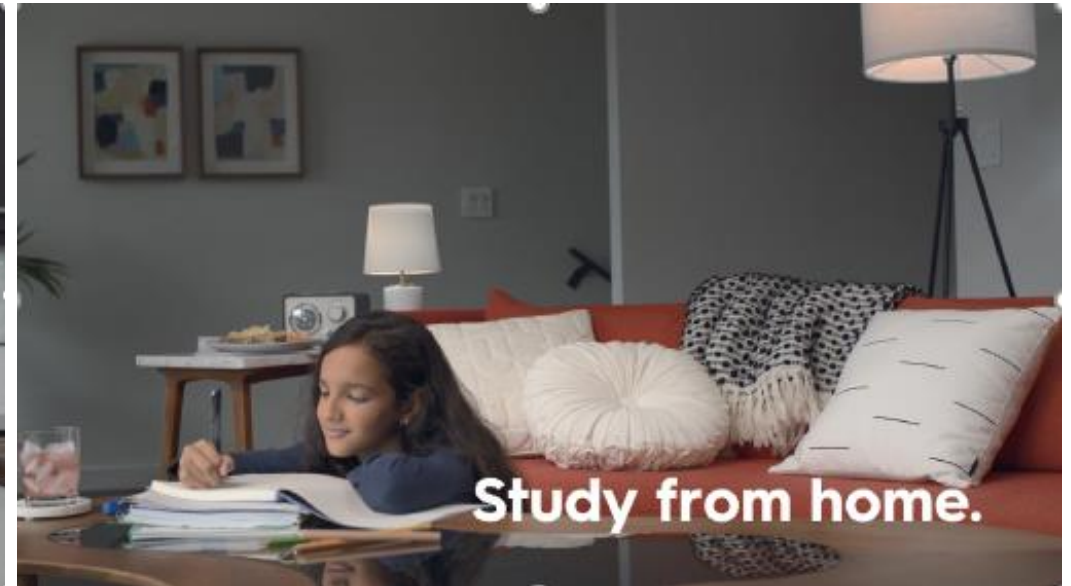
Utility ads highlighting Retailers
General GE
Earth Day
ENERGY STAR Day
Radio Ads for Walmart
Life From Home Campaign



Enhance your Life From Home



<https://youtu.be/SNnOaVlfGI4>



<https://youtu.be/4ybAuysXHeU>

Lisa McLeer
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216.266.8763

Thank you!

Keeping the Lights On: Adapting to a New Environment

Bob Mihos
Senior Program Manager Lead
October 28, 2020



Consumers Energy
Count on Us®

CMS ENERGY

Agenda

- Consumers Energy Overview
- Background and History
- Lighting Program Drivers
- Pre-Pandemic Outlook
- Pandemic Impacts
- Marketing Impacts
- 2020 Emerging Trends
- Specialty Lighting Insights
- Key Take-a-ways



1886 Company was Founded



6.7 million
Michiganders
count on
us for service



71,039
miles of
electrical
distribution
lines



workforce
consisting of
employees and
contractors

15,000

more than
27,000
miles of natural
gas distribution
pipeline

5,885
MEGAWATTS
of generating
capacity

Consumers Energy Overview



Lighting Program Background and History

Background

ENERGY STAR® certified bulbs are incentivized through rebates

Marketing co-brands with ENERGY STAR

Program is delivered through:

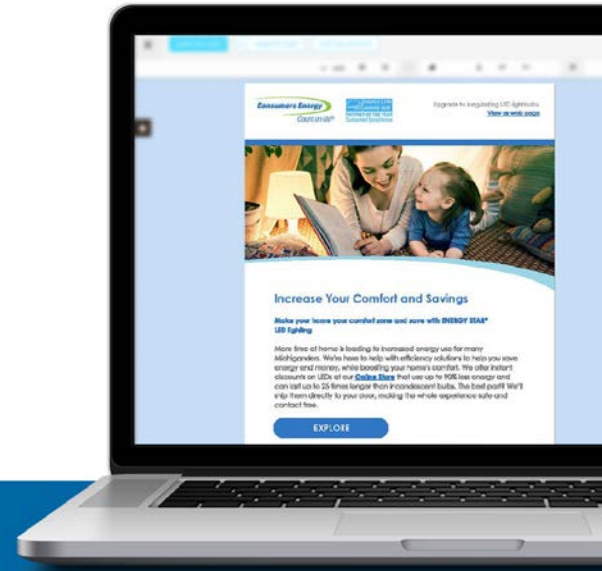
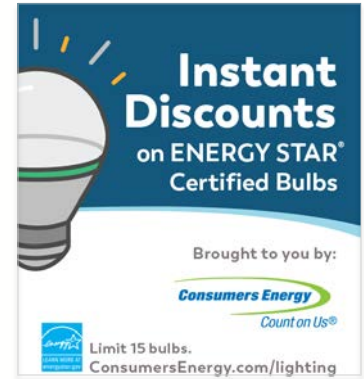
- Retail partnerships
 - CE online store
 - Stores supporting low-moderate income and hard-to-reach customers
- “Find a Retailer” tool

Program History



Lighting Program Drivers

- Lighting program measures and rebates
- ENERGY STAR® co-branded materials
- ENERGY STAR marketing promotions



Pre-Pandemic Outlook

- LED cost decreasing
- Specialty LEDs sales increasing
- LED technology expanding
- Specialty LED incentives increasing
- Customer availability expanding
- Changing Lighting environment with EISA, etc. requires Flexibility



Pandemic Impacts

- Increased retail traffic and sales – initially....significant reduction in sales as Stay-at-Home Order extended
- POP and inventory missing or disorganized
- In-store events suspended
- Retailers expressed the importance of incentive programs



Marketing Impacts

- Marketing research
 - Core emotional wants are reliability, savings and safety
 - Key promises, savings and comfort, are well received
- Digital media launch



Consumers Energy
Count on Us®

**Get Instant Discounts
on Energy Efficient Lighting**

**Brighten Your Home,
Lighten Your Costs**

Get instant discounts on energy efficient LED lightbulbs.

[Learn More +](#)

Consumers Energy
Count on Us®

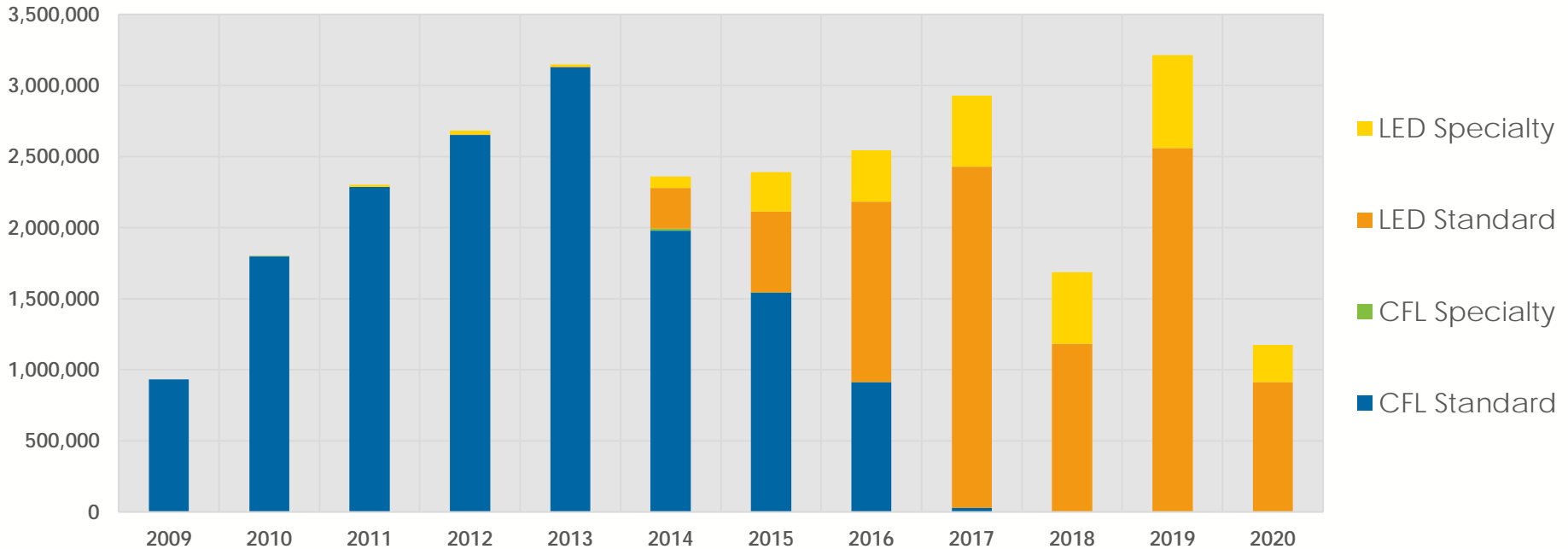
**Brighten Your Home,
Lighten Your Costs**

Get instant discounts on energy efficient LED lightbulbs.

[Learn More +](#)

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Count on Us®

2020 Emerging Trends

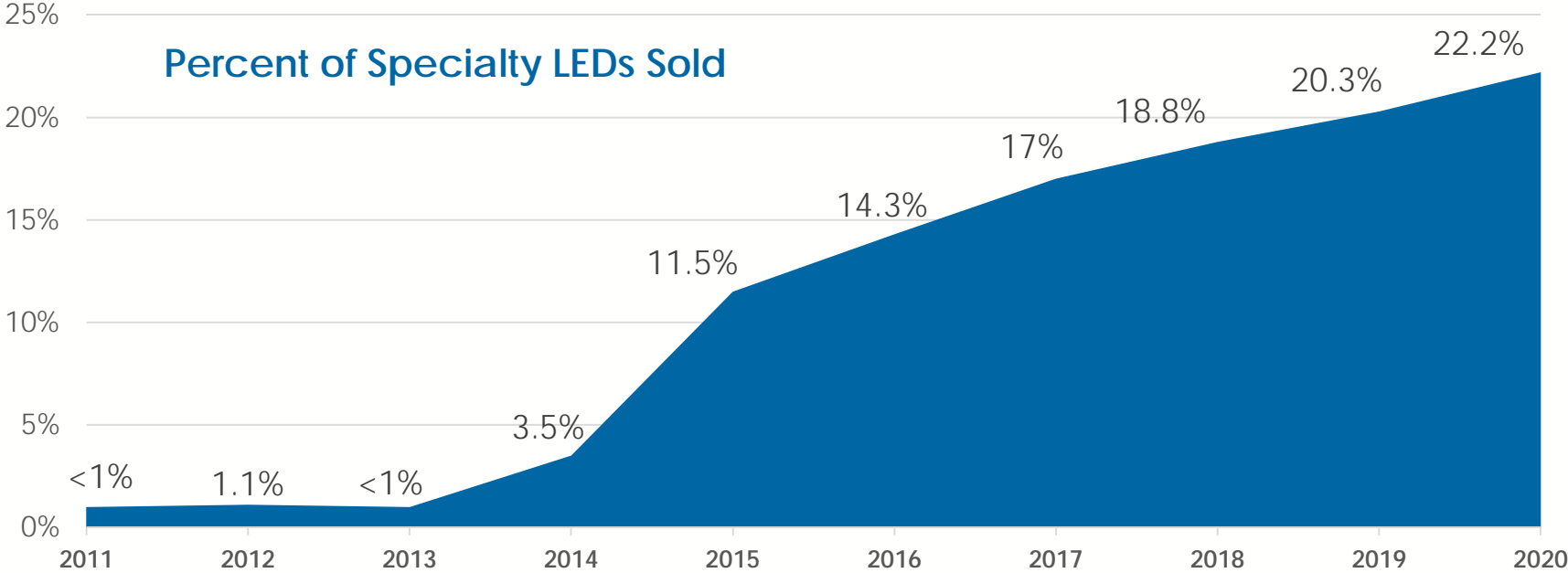


**Bulb type,
quantity and
incentive by year:**

- CFLs and LEDs, standard and specialty, has evolved since 2009
- CFLs phased out after declining market share from 2015 to 2017
- Specialty bulbs has increased significantly in recent years

2020 Emerging Trends

Specialty LED sales increased year over year since 2014



*2020 value is Jan-August

Specialty Lighting Insights

- **Promotion strategies**
 - Resulted in **7,000% increase** in sales with On-Line Store
- **Program design**
 - Specialty LEDs projected **35%** of 2020 sales
- **Incentives**
 - LED downlight retrofit kits added for DIY'ers



Key Take-a-ways

30 million
energy
efficient
bulbs sold

All LED's
since 2017

Pandemic
impacted
LED sales

Retailers and
manufacturers
remain
committed

Marketing
is critical

Specialty
LED's at
22% in 2020
Jan-Aug

Outdoor
flood PAR
important



Agility and flexibility is key in evolving lighting environment