

DESIGNLIGHTS CONSORTIUM

Where will we go from here?

July 2011

Developing a long term strategy

- **“If you can’t measure it, you can’t manage it.”**
 - D&R first needed to see how the DLC is viewed today
- **D&R set out to answer the following questions:**
 - What does the market need from the DLC QPL?
 - How should the DLC SSL Initiative evolve to meet these needs?
 - What’s needed to succeed?

Surveys and Interviews

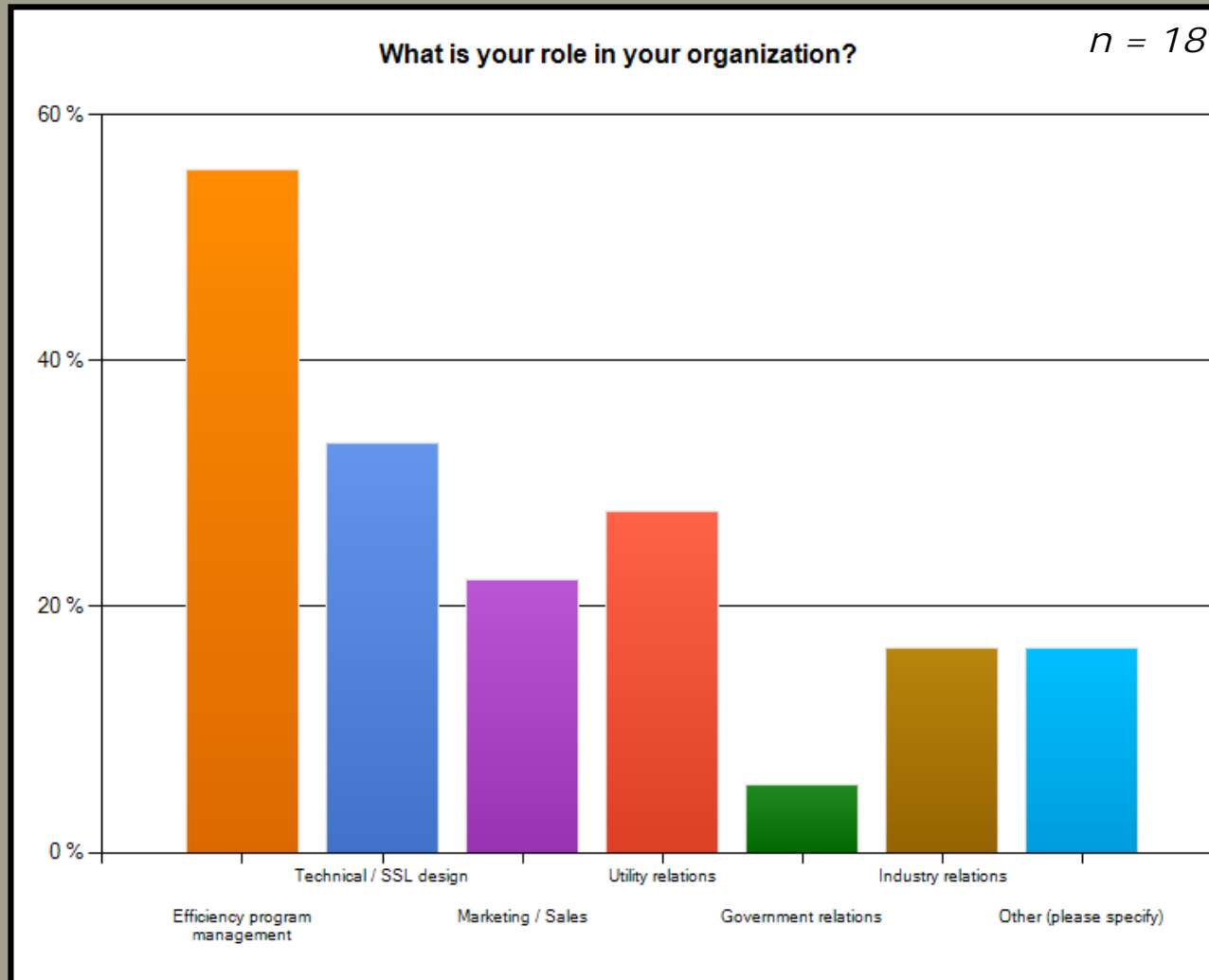
- D&R released an online survey for almost 450 Stakeholders on June 17th.
 - Responses were due June 24th
- Simultaneously, D&R conducted in-depth interviews of a smaller subset of Stakeholders between June 22 and June 29.

Survey Results

About the Respondents

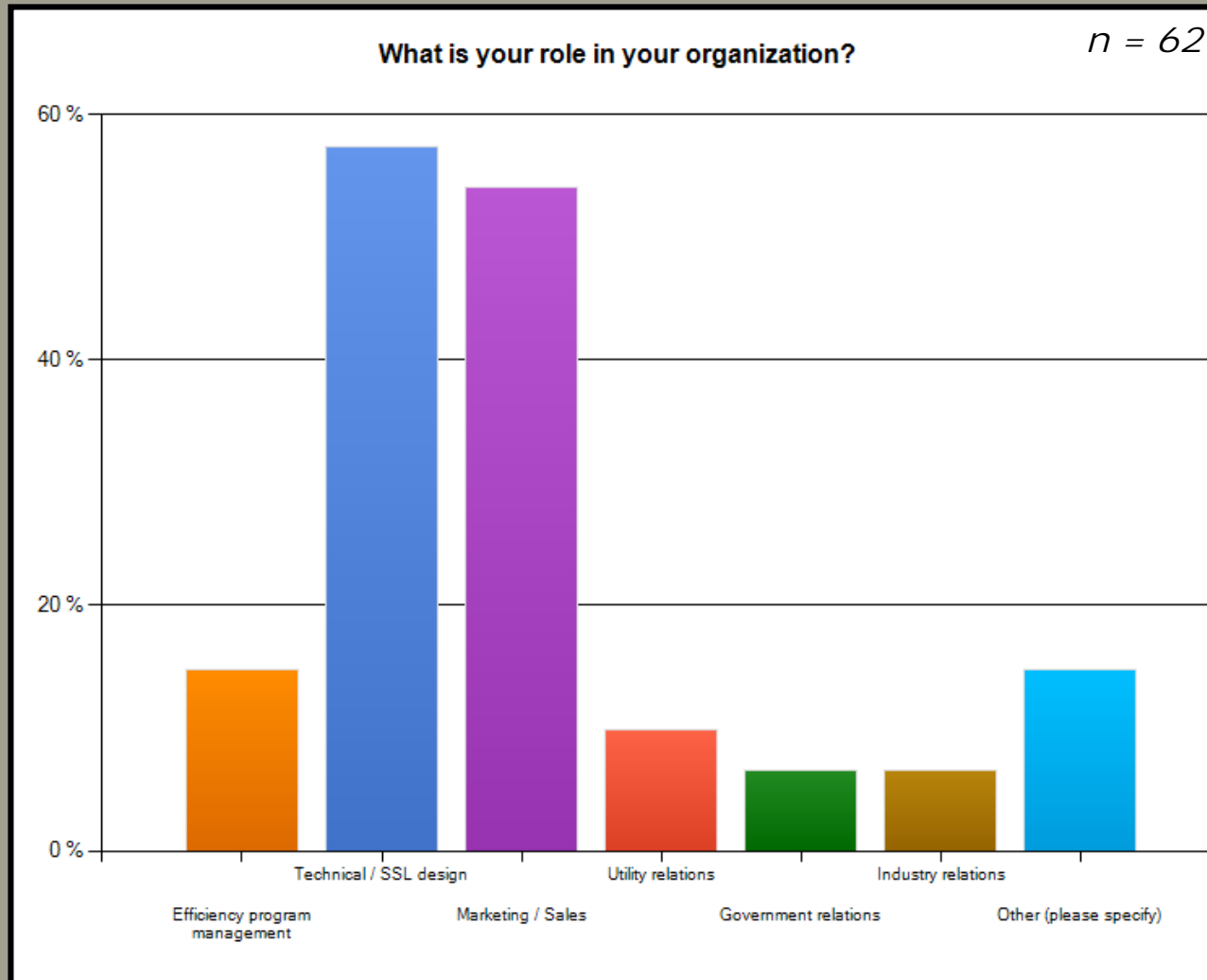
- Of the 448 organizations contacted, 85 (19%) responded:
 - 18 members (utilities and energy efficiency programs)
 - 62 industry stakeholders (manufacturers, labs, lighting designers)
 - 5 program advisors
- The following slides illustrate the roles of the respondents and the importance of the DLC to their organizations.

Members



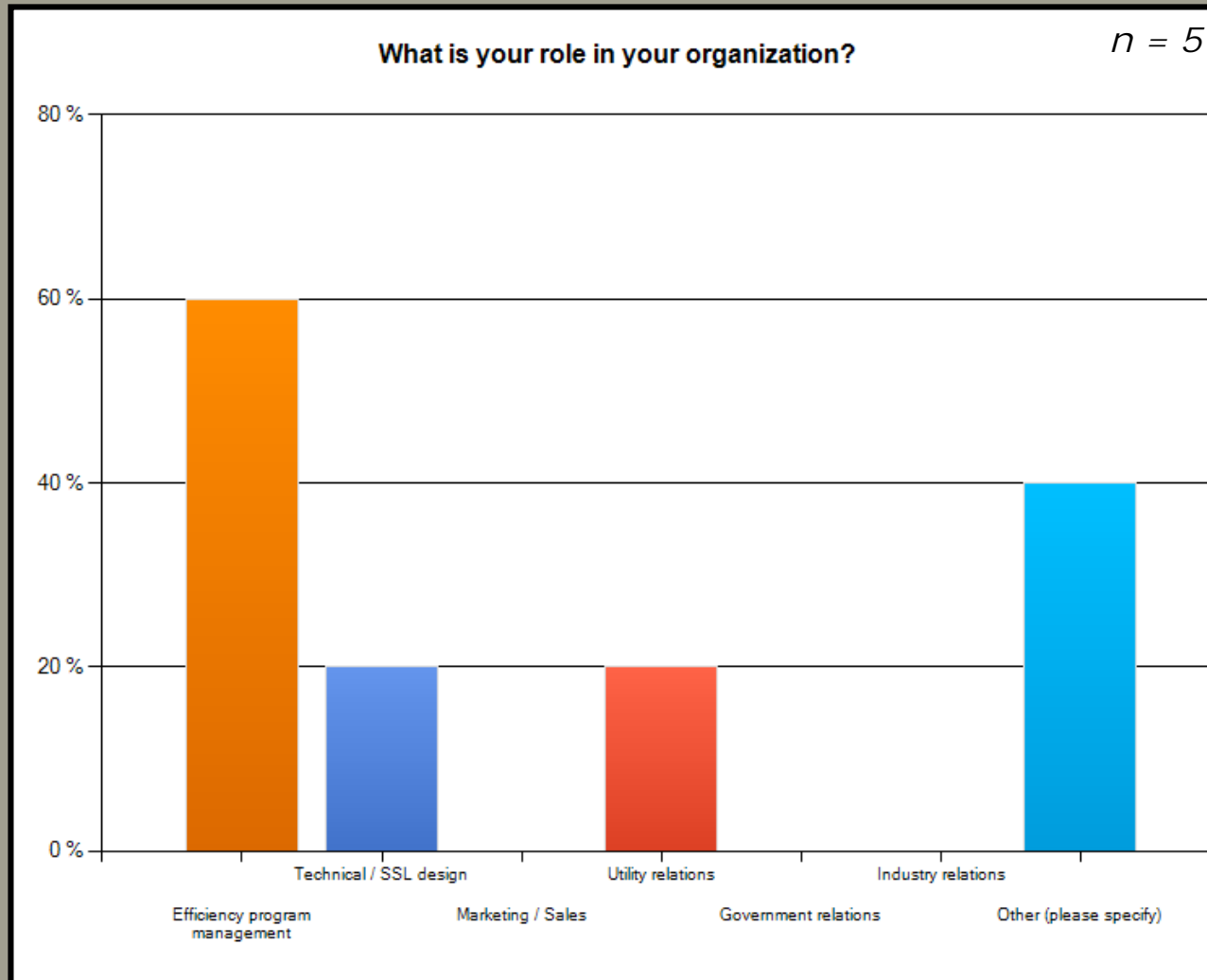
- The majority of members are involved in Efficiency Program Management.

Manufacturers



- Most manufacturers are involved in Technical/SSL Design, Marketing/Sales, or both.

Advisors



- Most advisors are involved in the design and management of efficiency programs.

Satisfaction with the Project

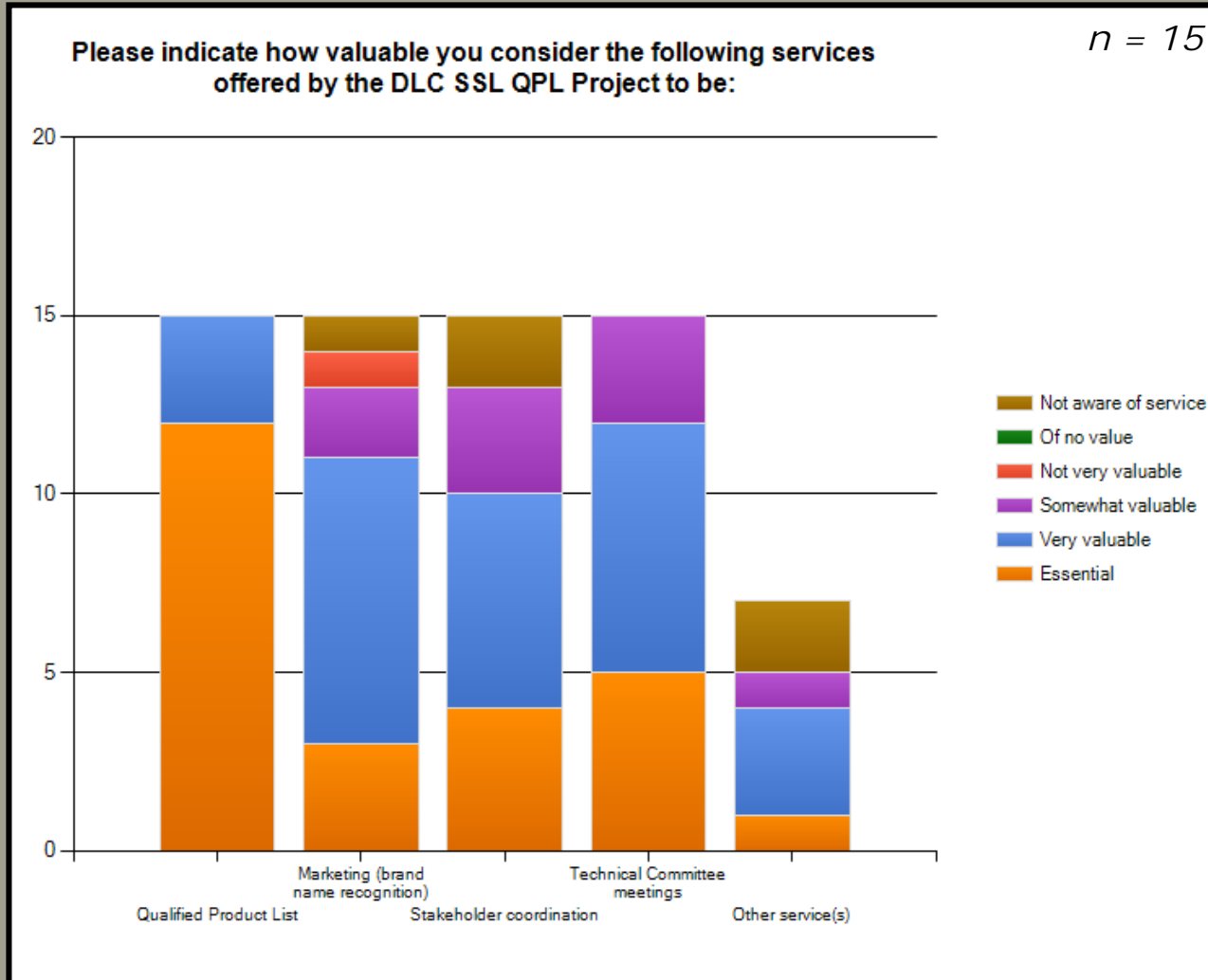
- Most respondents (82%) consider the DLC SSL QPL Project to be essential or very valuable (n = 61).
- All members agree that the services the DLC offers fulfill most or all of their needs (n = 15).
- 54% of manufacturers claim that the services the DLC offers fulfill most or all of their organization's needs (n = 44).
 - 34% claim the services partially meet their needs.
 - 11% claim the services do not meet their needs or seldom meet their needs.

Members

What makes the QPL valuable, worthwhile or compelling?

- “With SSL product variability on the market, it's impossible to have a EE program without controlling product performance. It's impossible to support such a product validation project by project and managing our own list is too expensive.”
- “One of the only sources of objective specifications for commercial LED products. ENERGY STAR is not covering enough commercial categories for efficiency programs.”
- “We need to qualify LED products before rebates can be paid. The task of qualifying products ourselves is overwhelming and cost prohibitive.”

Members



- Most members consider the QPL to be essential.
- The four DLC services listed were rated essential or very valuable by at least 10 of the 15 respondents.
- The results show some lack of awareness and a negative perception about marketing and stakeholder coordination.

Members

What services are essential?

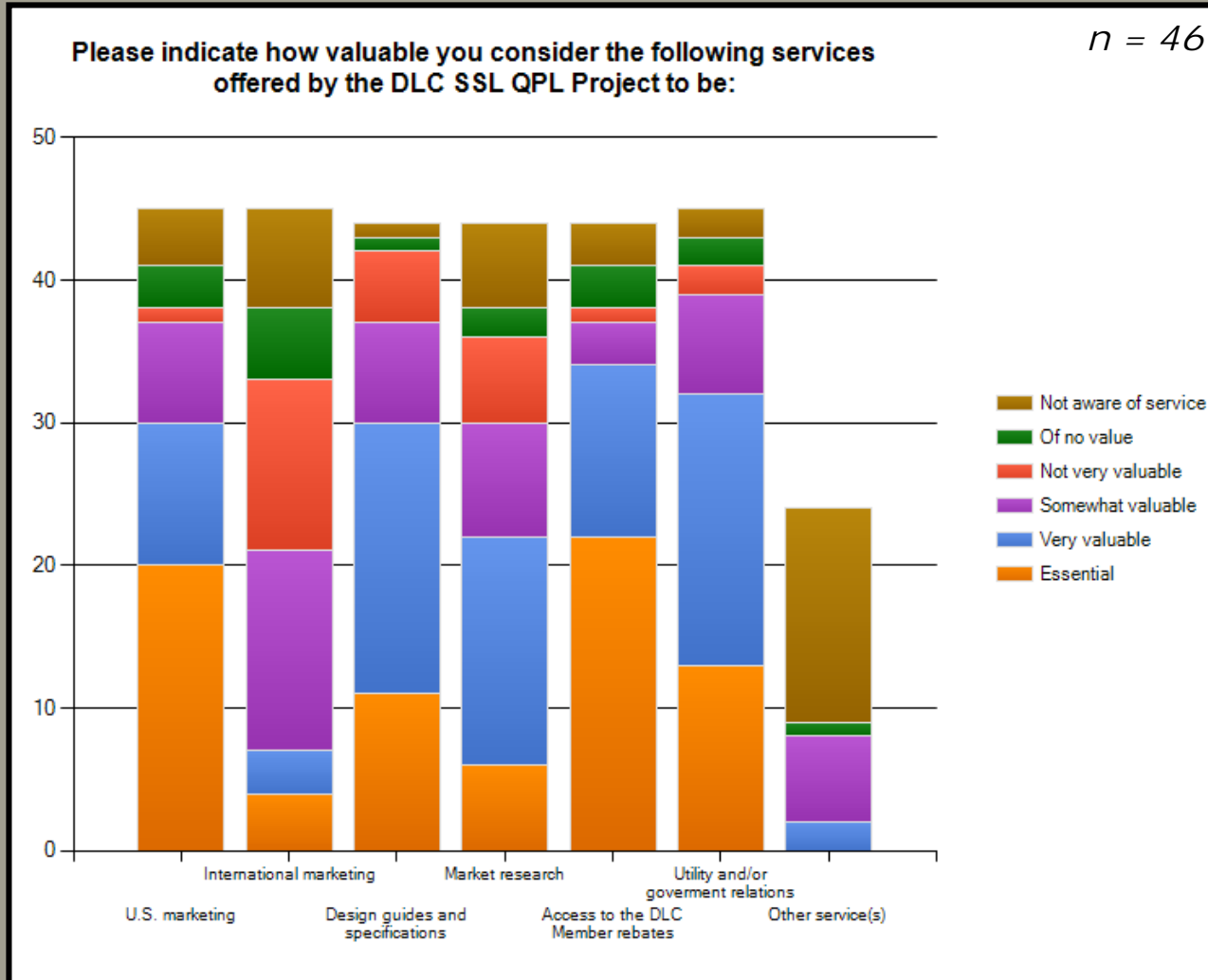
- “Continuous updates to the list are absolutely essential.”
- “Expanding categories to include ambient LED lighting, not just niche.”
- “Maintaining the interaction and communication between the contractor (D&R) and the efficiency programs/members is very important.”
- “Category developments, because as new products hit the market, it is important to have a set of requirements developed and introduced into our programs in a timely fashion.”

Manufacturers

What makes the QPL valuable, worthwhile or compelling?

- “It is becoming a necessity for those looking to purchase an LED product.”
- “Ensures high quality SSL products enter the market.”
- “It is the best organization to work with for SSL outdoor lighting requirements.”
- “I feel that the DLC SSL specifications are dumbing down the industry.”

Manufacturers



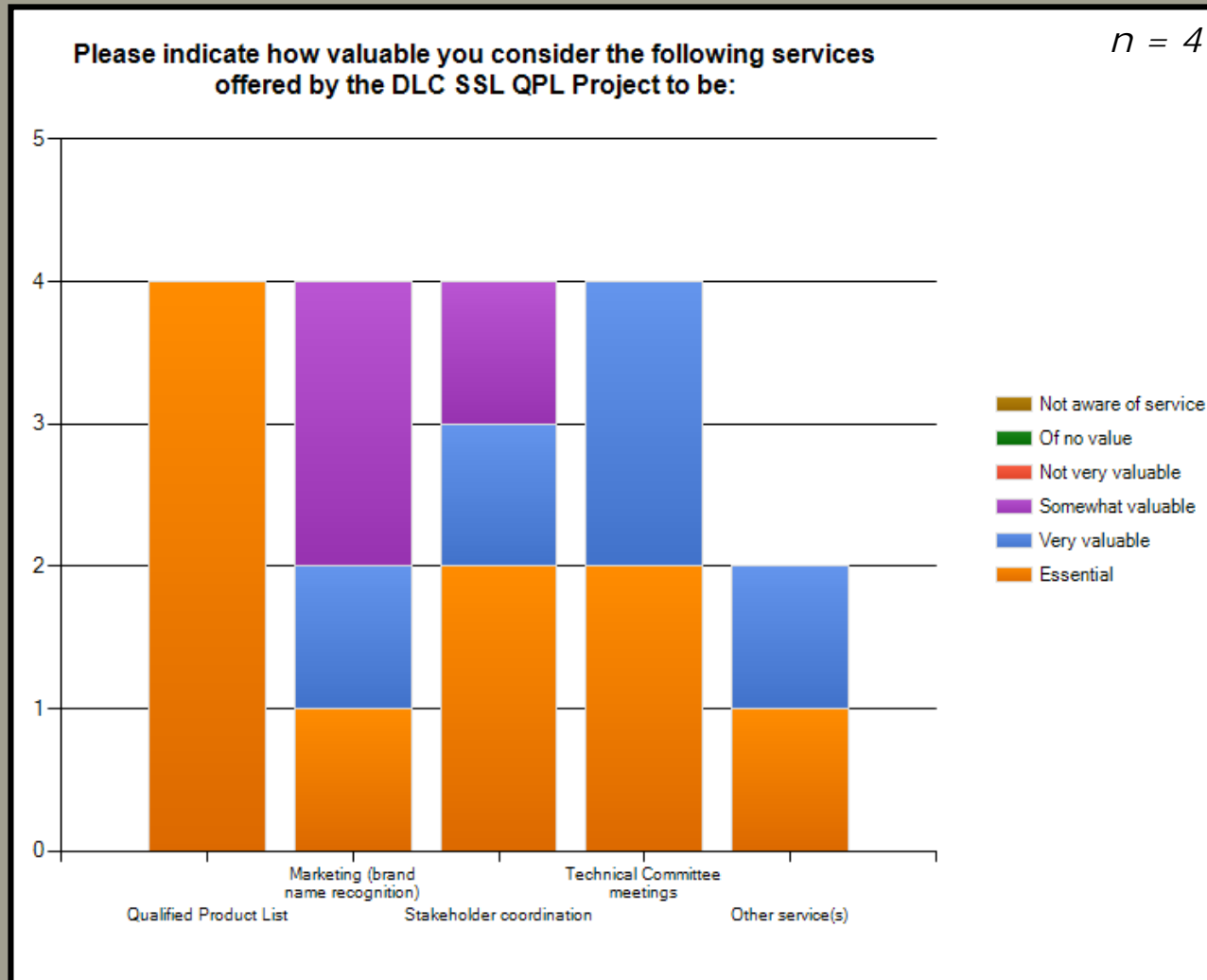
- The majority of manufacturers responded that U.S. marketing, design guides and specifications, access to the DLC member rebates, and utility and/or government relations are essential or very valuable.
- No DLC service was rated essential by more than half of manufacturer respondents.

Manufacturers

What services are essential?

- “Ability to advertise DLC compliance.”
- “Market the program to other utilities and municipalities to minimize duplication of efforts.”
- “Fast turnaround for manufacturer approvals.”
- “Thorough third-party testing and raised bar for specifications will help weed the bad products out.”

Advisors



- The QPL is the most valuable DLC service to advisors.
- All four respondents rated the four DLC services listed as being at least somewhat valuable.

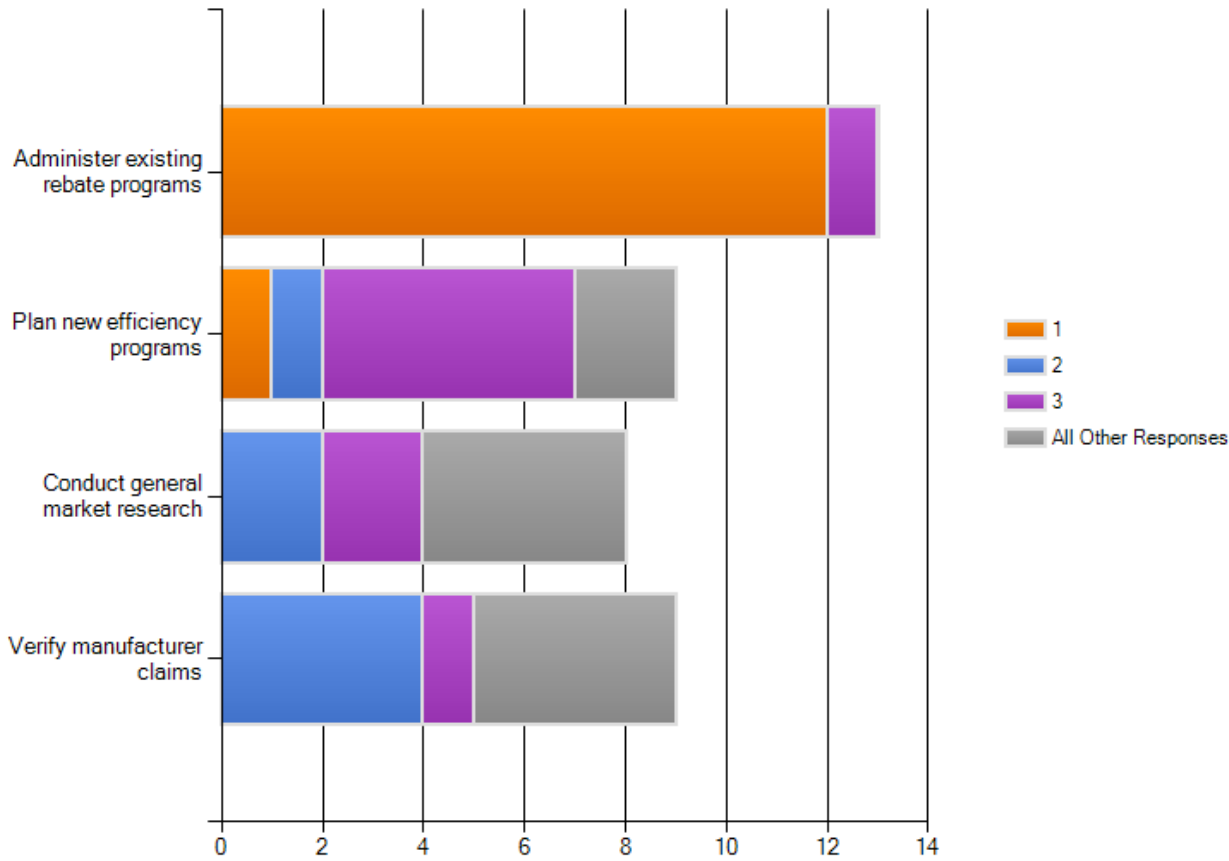
How the QPL is used:

- In over 50% of the organizations surveyed, at least 6 people use the QPL (n = 58).
- Two-thirds of all respondents claim that their organization uses the QPL a few times a week.
- 19% of respondents use the QPL at least once a day.

Members

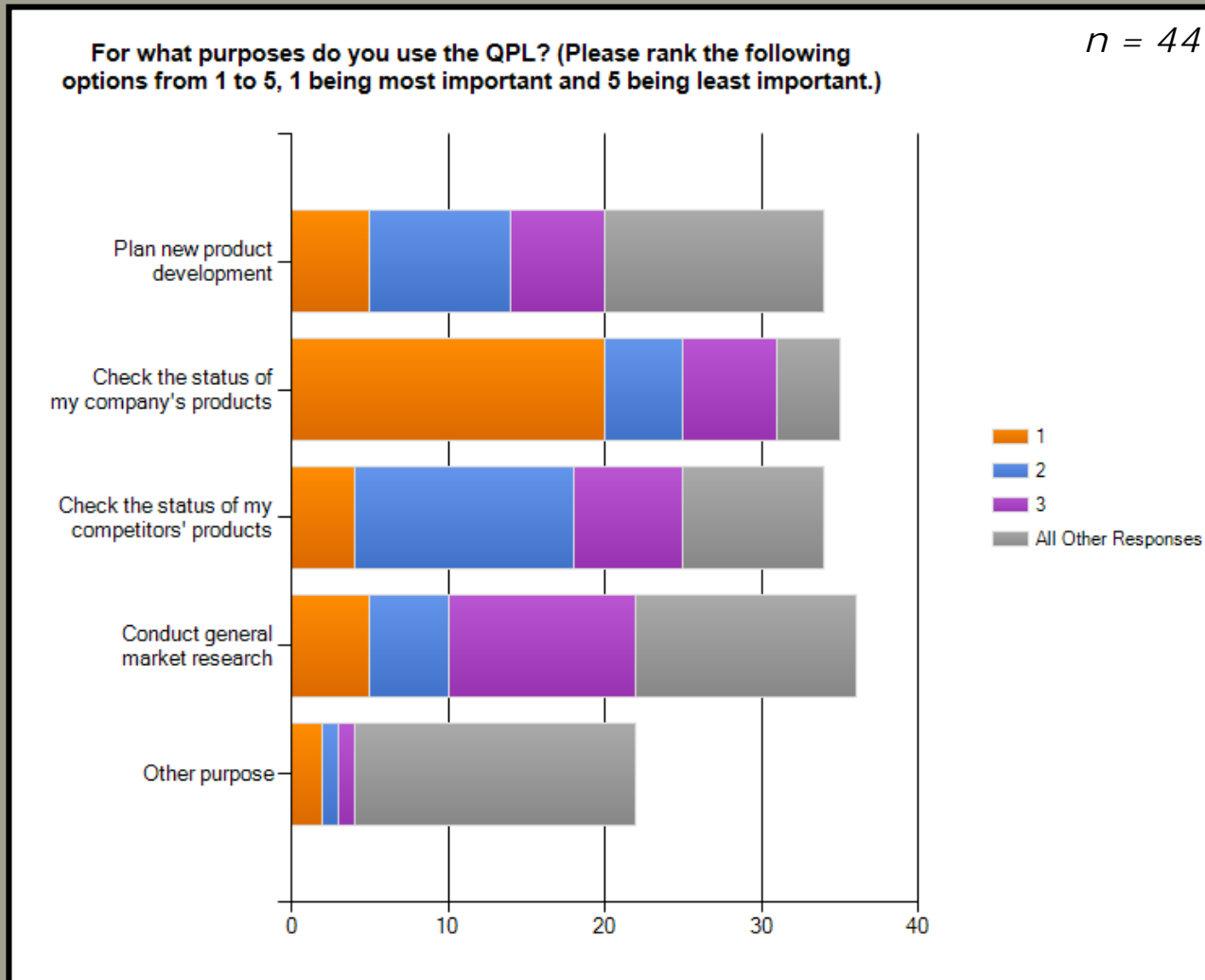
For what purposes do you use the QPL? (Please rank the following options from 1 to 5, 1 being most important and 5 being least important.)

$n = 13$



- Members primarily use the QPL to administer existing rebate programs.

Manufacturers



- Manufacturers primarily use the QPL to “check the status of my company’s products.”

Management of the DLC

- 97% of respondents stated that their organization would still want to provide input to the Project if NEEP were to transfer management of the QPL to another project.
 - More than half stated that their organization would continue to sponsor the Project at a similar or higher level of funding.

All Respondents

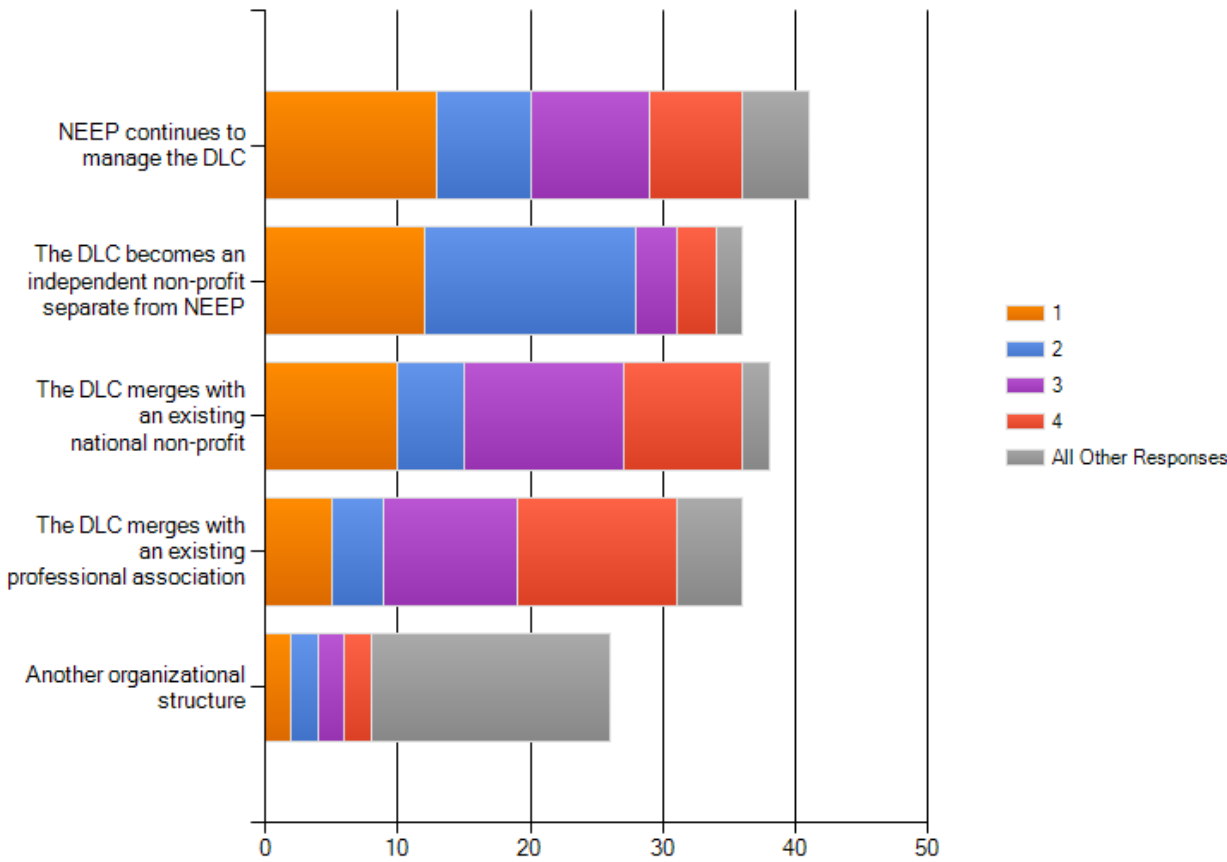


- Nearly two-thirds of respondents are mostly or very satisfied with the way the Project is managed.
- However, 12% of respondents are mostly or completely dissatisfied with the way the program is managed.

All Respondents

What sort of organizational structure would you prefer most? (Please rank your preferences from 1 to 5, with 1 being the option you prefer most.)

$n = 49$

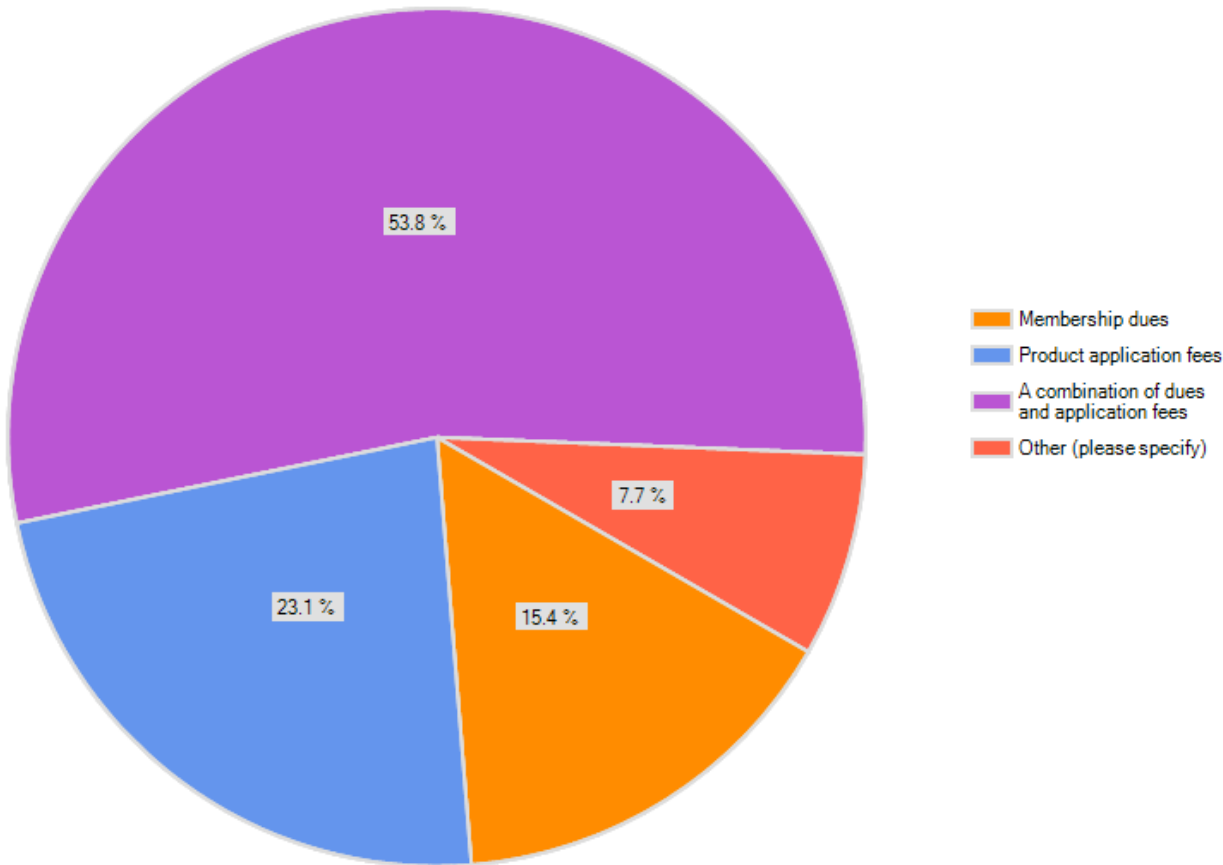


- 30% of all respondents would like the DLC to merge with another existing organization.
- 25% of all respondents would like NEEP to continue managing the DLC.
- 25% of all respondents would prefer the DLC to be independent of NEEP.

Members

What do you think are the best funding options to meet the objectives and provide core services in 2012 and beyond?

$n = 13$



- Half of the members think members and manufacturers should share the burden of funding the DLC.
- 25% of the members think manufacturers alone should fund the DLC.

Members

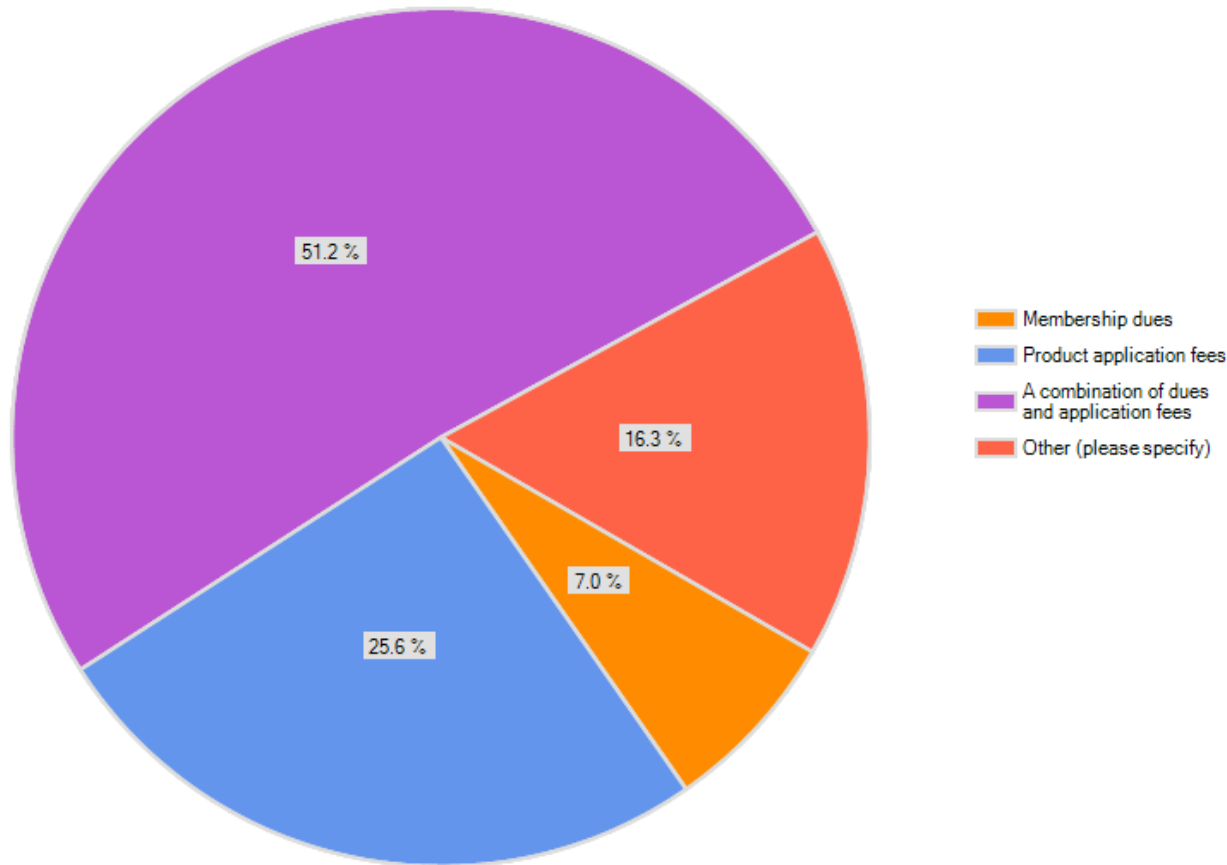
Recommended funding options:

- “Eventually this process needs to be sustainable with reduced membership funding. If product application fees alone do not allow the program to be self-sustaining, manufacturer dues should be considered.”
- “Keep application fee as is but streamline the process to reduce subcontractor costs.”
- “The number of members needs to be significantly increased and/or the product listing fees need to increase.”
- “Get support from governments (US/Canada).”

Members

What do you think are the best funding options to meet the objectives and provide core services in 2012 and beyond?

$n = 44$



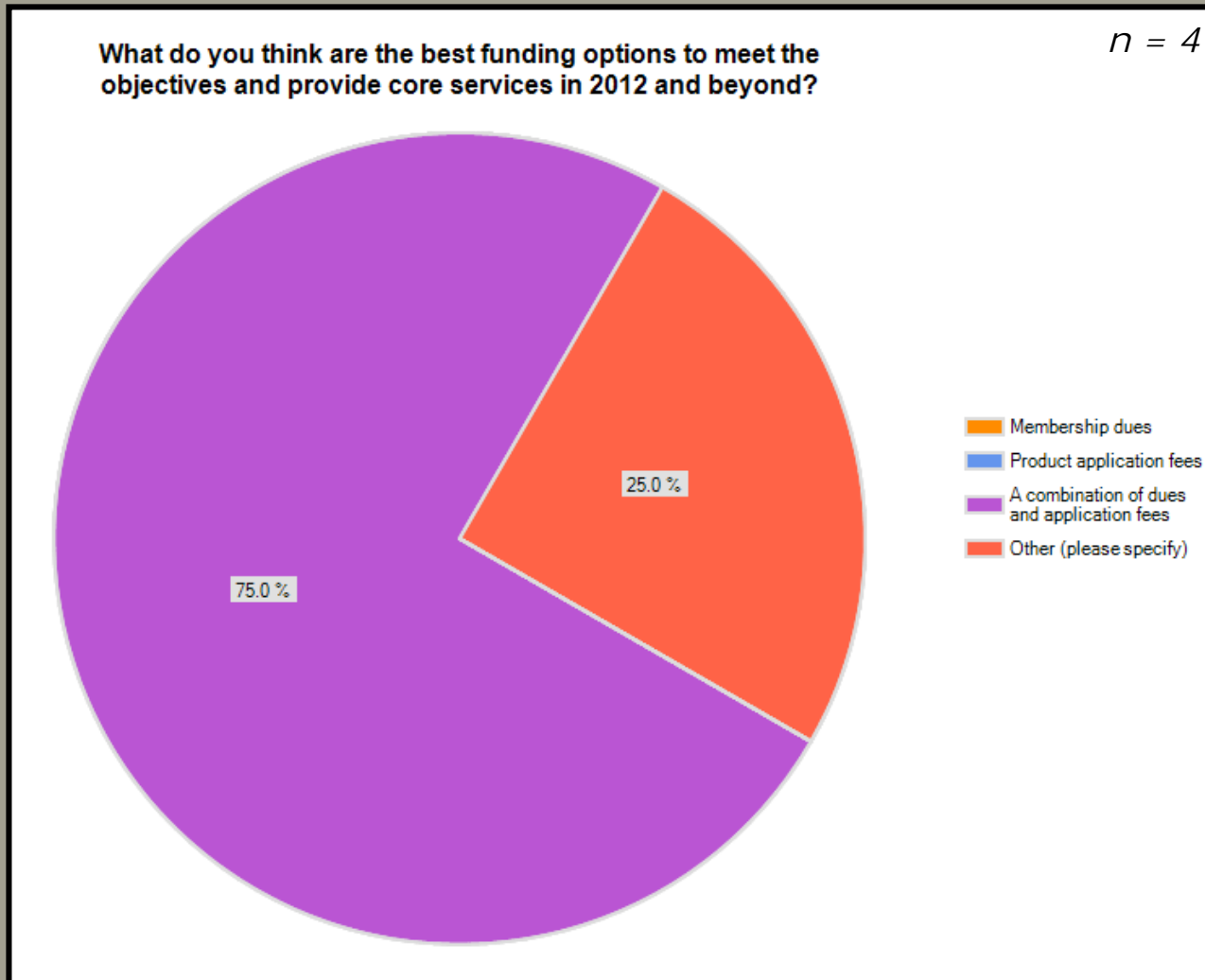
- Half of respondents think members and manufacturers should share the burden of funding the DLC.
- 25% of respondents think manufacturers alone should fund the DLC.

Manufacturers

Recommended funding options:

- “Have the utilities and the public agencies involved cover 100% of your costs.”
- “Close the list again and go after the power companies that are not organization members and have them pay in to use the list.”
- “Develop a structure based on a family of fixtures.”
- “Application fees should be graduated based on volume and business size.”

Advisors



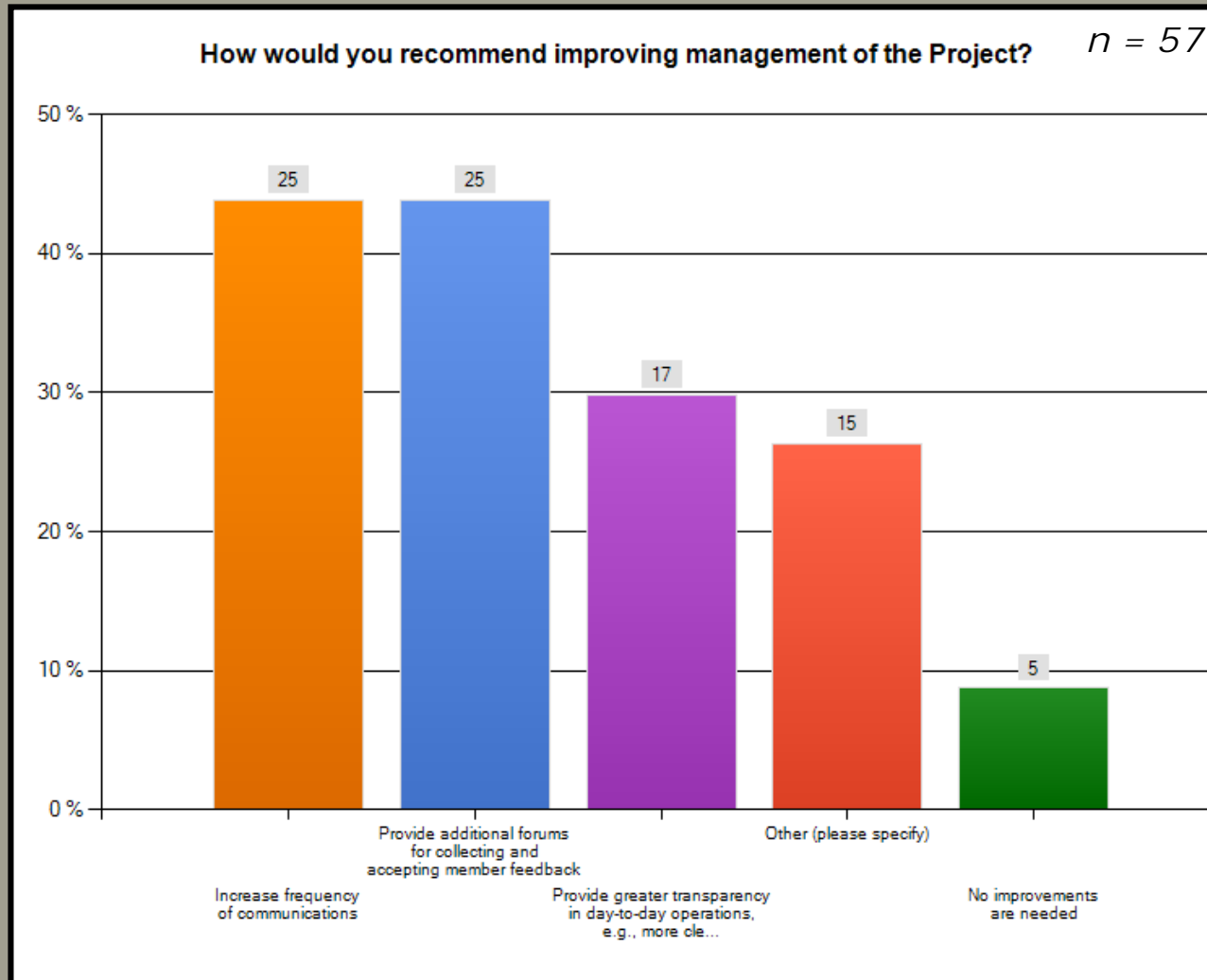
- Three of the four respondents think members and manufacturers should share the burden of funding the DLC.

Advisors

Recommended funding options:

- “Expand sponsors to increase membership revenue. Develop manufacturer sponsorship, similar to IESNA. Seek out government funding. DO NOT RAISE PRODUCT APPLICATION FEES – this will hurt the value of the QPL to the sponsors by limiting products and participation.”
- “We should strive toward making DLC sustainable in the sense that it is attracting enough manufacturers to participate that application fees largely prop up the program financially. It is appropriate that program administrators using the QPL to qualify products for incentives also pay in....”

All Respondents

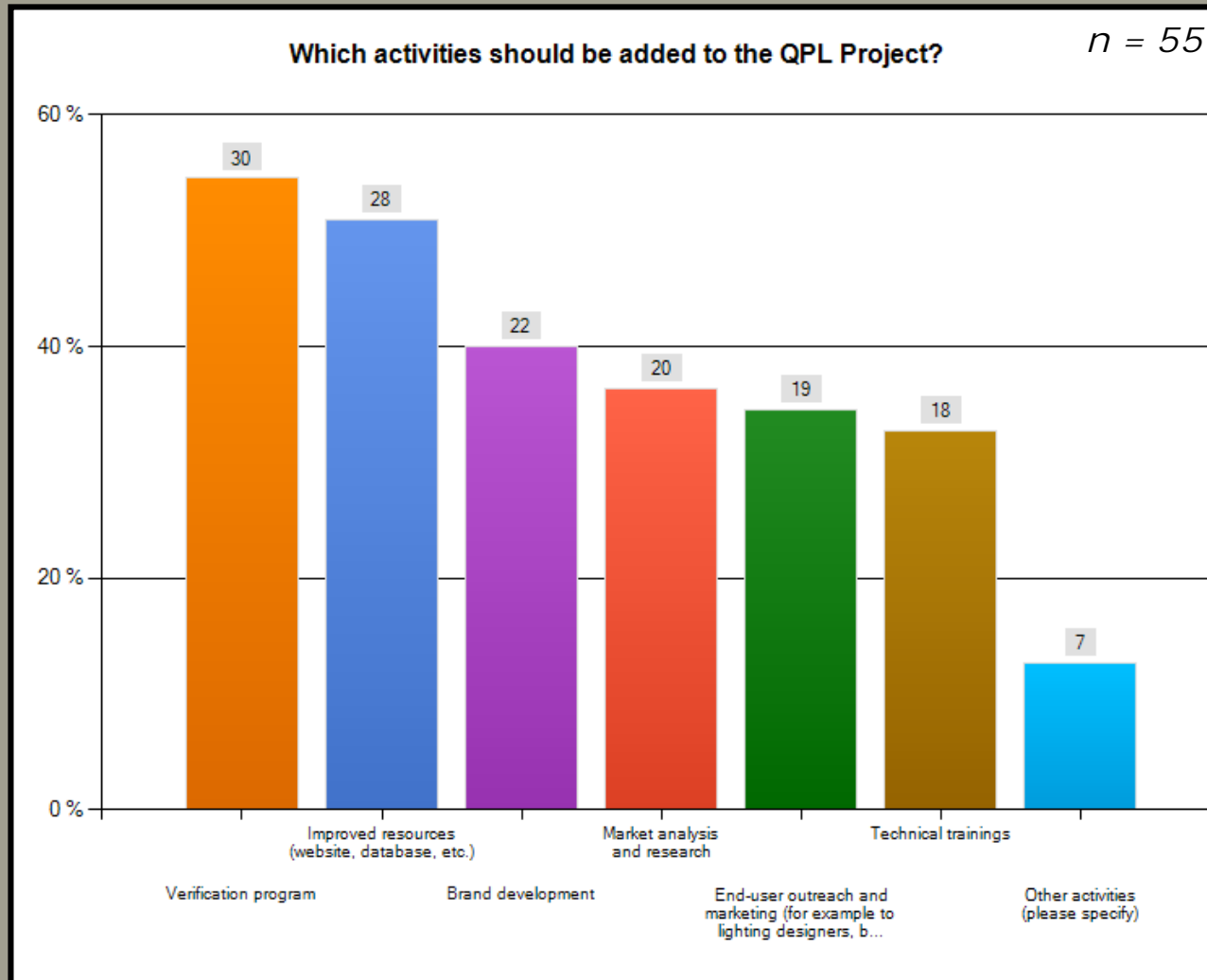


- As ways to improve management of the Project, respondents most often cited increase frequency of communications and provide additional forums for collecting and accepting member feedback.

What should be the future direction of the DLC SSL QPL?

- “SSL fixtures will become more prevalent and DLC should be prepared to grow in size.”
- “Need to have a faster turn around time from the application stage to final approval stage.”
- “Become the international standard of SSL products.”
- “Commercial products not covered by ENERGY STAR.”
- “An independent organization that should continue only if ENERGY STAR does not come to fruition.”

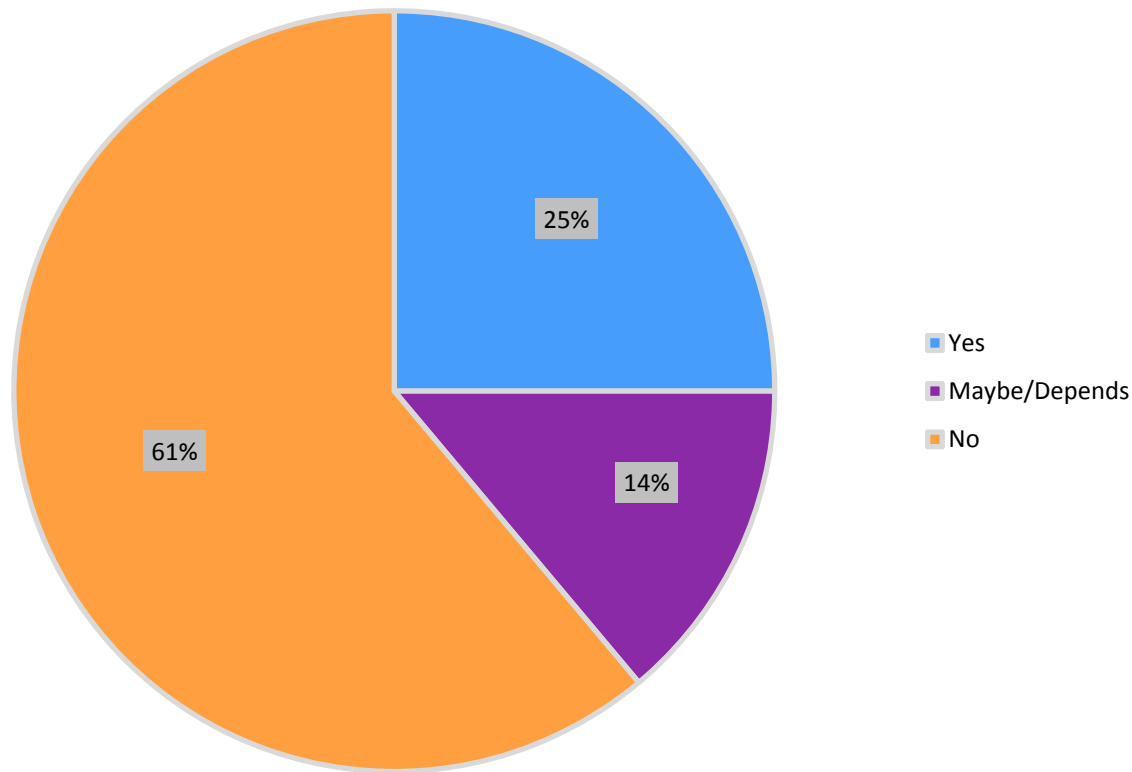
All Respondents



- Respondents expressed interest in expanding or adding many Project activities.
- The most frequently requested activities are a verification program and improved resources (website, database, etc.).

Manufacturers

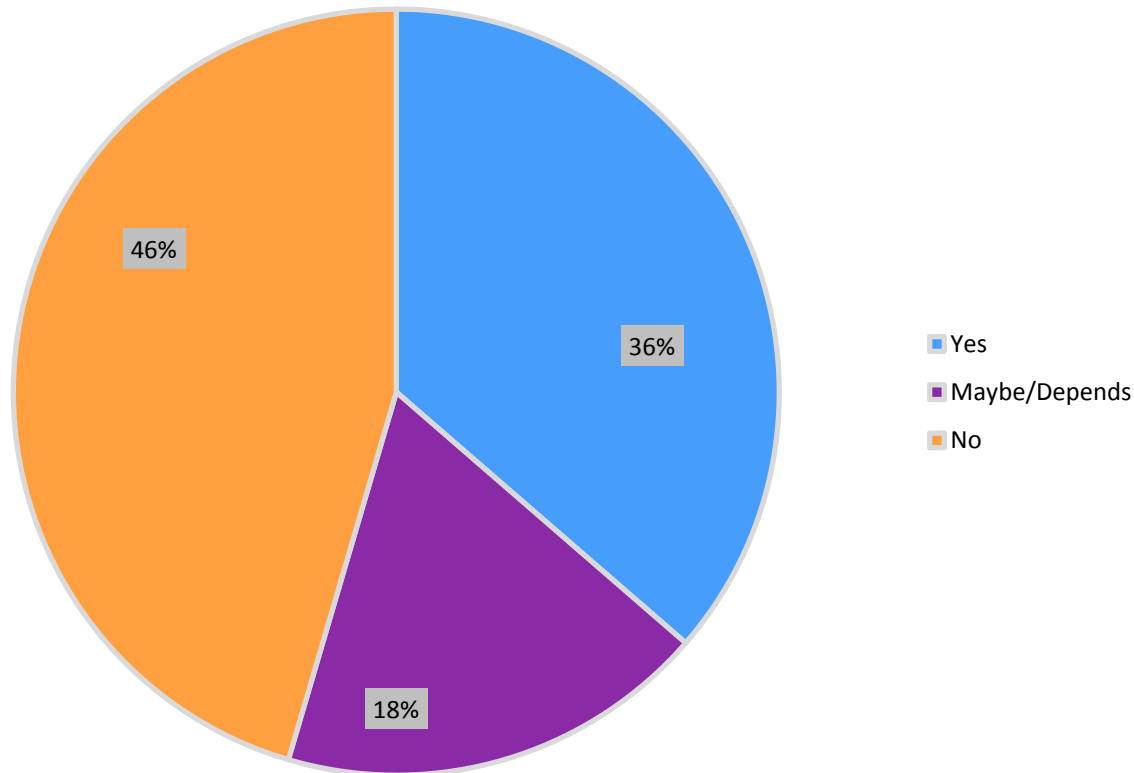
Should the DLC continue to offer its own specifications if ENERGY STAR develops an identical or similar category?



- 61% of manufacturers responded that the DLC should not offer specifications for categories covered under ENERGY STAR.

Members

Should the DLC continue to offer its own specifications if ENERGY STAR develops an identical or similar category?



- A greater share of members (compared to manufacturers) feel that the DLC should offer its own specifications on categories covered by ENERGY STAR.
- 46% of members believe the DLC should not offer specifications on those products.

INTERVIEW RESULTS

THE ENERGY EFFICIENCY MARKET EXPERT



Interviewees

- D&R conducted 16 interviews between June 22 and June 28:
 - 3 advisors
 - 6 members
 - 7 manufacturers
- One additional interview is anticipated.

Summary

Most members agree:

- **The DLC plays an important role in the market and is greatly needed.** It offers great value to manufacturers, and is poised to offer even greater value to utilities.
- **Manufacturers especially appreciate that the DLC is more practical than ENERGY STAR.**
- **NEEP has been doing a good job.** Things have improved a great deal since D&R was hired to work on the QPL.
- **There is still much room for improvement.** (Details are provided on the following slides.)

The QPL

- **The QPL needs to respond more quickly to changes in the market.** Many interviewees expressed dissatisfaction with the small number of products on the list and emphasized the need to keep up with new technologies. The QPL must be nimble or it will become irrelevant.
- **It should be easy to list a product and also re-list an updated product.** The application process should be clearer and less cumbersome.
 - **The online form could be streamlined.** It asks for all the right information, but it can be time-consuming and confusing.

The QPL

- **The QPL doesn't differentiate among the listed products.** Some products are better than others, but customers have no way to discern that, especially regarding energy savings. Some members and manufacturers recommended creating tiers, e.g., platinum, gold, silver.
- **Some members still feel the need to maintain their own product lists,** largely because products on the QPL are more expensive.

Utility/Manufacturer Communication

- **Allow manufacturers to connect with utilities.** It would be of enormous value to manufacturers if they could identify all the utilities that offer rebates, the rebate levels, and locations, and then could connect their customers and their sales staff with the appropriate rebates.

Marketing/Positioning

- **There is a great need for marketing.** The DLC needs its own brand and needs to be clearly differentiated from ENERGY STAR. There is confusion now.
- **Emphasize energy savings:** There could be marketing messages on how much using a DLC product can save you.
- **The DLC needs to reach out to a broader audience:**
 - More manufacturers
 - More utilities
 - Customers (retailers)
 - Electricians/contractors
 - Lighting bodies (e.g., NEMA, IES)

Marketing/Positioning

- **DLC's role should be to help transform the lighting market.**
- **But we need to strengthen the DLC's position in the market:** "The DLC SSL QPL should be just as prominent in the commercial market as ENERGY STAR is in the residential market," one advisor said.
- **The DLC could play a much larger role in education** of manufacturers, utilities, lighting designers, architects, regulators, and customers. There is little knowledge of SSL and the need for education is acute here and abroad.

Specs/Criteria

Manufacturers said:

- **How specs are developed is unclear.**
- **Specs are too narrow.** Don't try to fit all applications into one specification.

Members said:

- Spec development process needs to be **on-going and fluid.**

Specs/Criteria - Recommendations

- **Manufacturers should have the opportunity to provide more technical input**, but the DLC should continue to be driven by the utilities to avoid the appearance of impropriety.
 - **Several manufacturers suggested having a process similar to ENERGY STAR's**, in which industry can provide comments.

Next Steps

- **Develop recommendations for three strategies to pursue**
- **July 26th – D&R provides a Draft Report to NEEP**
- **Mid-August – D&R delivers the Final Report**



Thank You!

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