Mining Long-Term Opportunity in Unexpected Market Shifts

In 2015, the alliance launched a market transformation program aimed at transforming the region’s lamp replacement market. The goal of the Reduced Wattage Lamp Replacement program was to shift the market away from inefficient 32-watt fluorescent bulbs to more efficient 28- or 25-watt alternatives by motivating regional electric distributors to change their sales and stocking practices.

Using a combination of compelling branch-level sales data, special pricing agreements and incentive bonuses, the program successfully grew the market share of low wattage fluorescent lamps from 13 percent in 2015 to 52 percent three years later.

While the program succeeded in inspiring distributors and consumers to move away from inefficient 32-watt fluorescent bulbs, the unexpected speed of LED adoption took a bite out of the overall fluorescent lamp market, driving a decision to end the program in 2018. Nevertheless, despite this market shift, the RWLR program still delivered over 4 aMW in regional savings and helped set a path for future opportunities.

Future Transformation Through Relationships and Data

In the coming years, the relationships, data, market transformation best practices and supplier and distributor contracts developed through the RWLR program—collectively known as the Distributor Platform—will continue to persist as a separate suite of valuable tools beyond the RWLR program. The Distributor Platform will continue to gather branch-level, full-category data to help the region keep tabs on lighting industry trends and inform future commercial lighting technology programs.
For instance, the alliance is collaborating with Seattle City Light and Snohomish County PUD to test the use of strategies used in the RWLR program to target commodity LED products in their midstream programs. Lessons learned from these pilots will help inform future regional opportunities for this category of products going forward while supporting the region with more full-category data.

“The Distributor Platform allowed Seattle City Light to leverage existing agreements, subcontractors, data, and, most importantly, the distributor relationships NEEA had built. This momentum allowed us to rapidly scale the program and provide a seamless transition for the distributor partners.”

- Joseph Fernandi, Business Solutions Supervisor, Seattle City Light