

PROGRAM ELEMENT	Residential Lighting
Objective	Increase the market share of ENERGY STAR qualified compact fluorescent lamp (“CFL”) bulbs sold through retail sales channels by providing incentives to decrease consumer costs, as well as information and education to increase consumer awareness and acceptance of energy-efficient lighting technology. Eligible efficient lighting measures may include screw-in bulbs, pin-based table lamps, specified torchiere lighting, and light emitting diode (“LED”) holiday lights. A CFL recycling educational component will promote proper bulb disposal.
Target Market	This program element is designed for residential customers purchasing bulbs through retail sales channels. All targeted customers taking delivery service from ComEd are eligible for this program regardless of their choice of supplier.
Program Duration	June 2008 through May 2011.
Program Description	<p>The Residential Lighting Program Element will establish partnerships with midstream channel actors (retailers and their suppliers) to provide customers with instant rebates at the cash register for qualifying product. Retailers will also be given the option of participating in the program’s bulb recycling component, where ComEd will subsidize the recycling fee for bulbs returned to the retailer for recycling.</p> <p>A midstream program approach leverages the normal retail sales channel for CFLs, creating opportunities for cooperative promotions with retailers and manufacturers, and supporting long-term market transformation goals. Instant rebates minimize the burden on consumers, lowering barriers to participation. A midstream approach also facilitates quicker program ramp-up than upstream manufacturer buydowns, and provides more detailed data to support evaluation of program impacts. A retailer-based approach ensures that the rebate is generally more transparent to the consumer than it would be under an upstream buydown, contributing to customer satisfaction and recognition of utility efforts to help its customers save energy, and promoting greater consumer awareness of the true CFL cost. Lastly, the bulb-recycling component offers consumers a convenient disposal option, and offers a mechanism for educating consumers about the importance of proper CFL disposal.</p> <p>As there is a high degree of variability in terms of retailer requirements and preferred participation approaches for retailer-based programs, the program will incorporate a degree of flexibility to promote retailer participation, employing two primary rebate delivery mechanisms:</p> <ul style="list-style-type: none"> • Coupons: The primary rebate approach will be an in-store coupon which the customer fills out at the time of purchase in order to receive the instant rebate. Retailers will submit completed coupons to ComEd’s fulfillment agent for reimbursement of rebate expenditures, providing ComEd with tracking data for EM&V purposes. • Markdown/buydowns: ComEd will also offer retailers the option of participating via a markdown/buydown approach, where ComEd pays retailer incentives up front for supplying a given quantity of bulbs. Qualifying product is listed at a lower retail price on the shelves, or marked down automatically at the register. If participating in a markdown/buydown approach, retailers must commit to providing store-level sales data for qualifying product, and providing the consumer with some indication that the product is rebated (e.g., point-of-purchase marketing such as shelf tags or other in-store signage, product stickers, or information printed on the receipt).

**PROGRAM
ELEMENT****Residential Lighting****Eligible
Measures**

The measures listed below have been utilized for planning purposes, but ComEd reserves the right to revise eligible measures as needed in accordance with current market conditions, technology development, EM&V results, and program implementation experience.

Measure	Incremental Measure Cost	Gross Annual kWh Savings	Coincident Peak kW Savings
13-W Integral CFL	\$2	28	0.00
18-W Integral CFL	\$5	38	0.00
25-W Integral CFL	\$6	48	0.00
20-W CFL Table Lamp	\$10	41	0.00
25-W CFL Table Lamp	\$10	56	0.01
30-W CFL Table Lamp	\$10	67	0.01
55-W CFL Table Lamp	\$10	109	0.01
55-W CFL Torchiere	\$15	184	0.02
70W CFL Torchiere (2 Lamps)	\$15	172	0.02
Holiday Lights LED C7 - 25 count	\$1	26	0.00
Holiday Lights LED C9 - 25 count	\$4	36	0.00

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Implementation Strategy	<p>Key elements of the Residential Lighting Program's implementation strategy include:</p> <ul style="list-style-type: none"> Retailer/manufacturer recruitment: ComEd will issue an RFP to solicit participation by retailers in its service territory. The RFP will specify program requirements such as product specifications and performance criteria, product stocking objectives based on anticipated rebate volume, data sharing requirements, and the option of participating in the bulb recycling component of the program. The program will sign a Memorandum of Understanding ("MOU") with selected retailers delineating roles and responsibilities and each party's commitments in support of programmatic objectives. Retailer education and outreach: Throughout program implementation, field staff (circuit riders) will maintain regular contact with participating retailers to ensure the following: (1) retail sales staff are informed about the program offering, rebate process, and benefits of CFLs; (2) that retailers have an adequate supply of instant rebate coupons at the cash registers; (3) that point-of-purchase ("POP") displays are displayed properly and that qualifying products are stocked in accordance with retailer commitments; and (4) that program staff are responsive to retailer concerns and issues can be addressed promptly. The program will also keep retailers informed well in advance of planned promotional activities and cooperative advertising opportunities, keeping in mind that retailers typically require at least six months of advanced planning for advertising buys and other promotional activities. Incentive processing: A fulfillment agent will be retained to ensure prompt processing of retailer incentive payments. ComEd will negotiate with retailers to determine how frequently batched coupons will be submitted to the fulfillment house for processing. As prompt incentive payment is essential to retailer satisfaction and ongoing program engagement, ComEd will work with the fulfillment agent to establish processes and procedures that expedite incentive payment. Bulb recycling: The CFL recycling component continues an existing bulb recycling pilot ComEd is running with the Illinois EPA. The CFL recycling component will be deployed initially with a small number of retailers, and expanded in later program years. The recycling service will be free to residential customers, who will be able to turn in spent bulbs at participating retailers. Retailers will be provided with bins for bulb collection, and will be given training on proper packaging and labeling of spent lamps and how to correctly seal the collection bins, as well as how to safely clean up any broken bulbs. ComEd will subsidize recycling fees or transportation costs, and will promote participating retailers in marketing efforts. Retailers will be responsible for arranging for transportation of collected bulbs to a recycling facility.

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Marketing Strategy	<p>In addition to informing customers about rebate availability and participating retailers, the program will employ a strong consumer education component emphasizing the benefits of replacing incandescent bulbs with CFLs, utilizing messages that resonate most with consumers (e.g., price, energy and dollar savings, longer product life), as well as information to encourage proper disposal/recycling at participating retailers. Marketing materials will leverage the ENERGY STAR brand, which enjoys a high level of consumer recognition and favorable associations. Key elements of ComEd's marketing strategy will include:</p> <ul style="list-style-type: none"> • Direct consumer marketing: ComEd will use bill stuffers and other direct mail approaches to educate consumers about CFLs and promote rebate availability at participating retailers. Customers will be directed to the website as a primary source of information and to the Call Center as a secondary source of information. • Cooperative advertising: ComEd will co-market advertising (e.g., circulars and flyers) with participating retailers to raise awareness of incentive availability and generate sales. • POP display materials: ComEd will develop templates for point-of-purchase display materials (shelf talkers, end cap signs, window banners/posters) that participating retailers can use to educate consumers, highlight displays of qualifying product, and motivate purchases. (Though templates will be made available, some retailers have very specific requirements about in-store POP and may not be able to use program materials. The program will work with such retailers to ensure that customers receive consistent messaging about the benefits of CFLs and rebate availability.) • Mass-market advertising: During special promotions like the ENERGY STAR Change a Light Campaign, ComEd will deploy mass market advertising (television/radio/newspaper) to promote the program.

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Incentive Strategy	<p>The incentive levels listed below have been used for planning purposes. However, as the Residential Lighting Program evolves beyond the initial ramp-up period and ongoing EM&V activities track program performance, ComEd may adjust incentive levels based on implementation experience.</p> <table border="1" data-bbox="391 472 1284 982"> <thead> <tr> <th data-bbox="391 472 948 512">Measure</th> <th data-bbox="948 472 1284 512">Incentive Level per Unit</th> </tr> </thead> <tbody> <tr> <td data-bbox="391 512 948 552">13-W Integral CFL</td> <td data-bbox="948 512 1284 552">\$1.50</td> </tr> <tr> <td data-bbox="391 552 948 592">18-W Integral CFL</td> <td data-bbox="948 552 1284 592">\$1.50</td> </tr> <tr> <td data-bbox="391 592 948 632">25-W Integral CFL</td> <td data-bbox="948 592 1284 632">\$1.50</td> </tr> <tr> <td data-bbox="391 632 948 672">20-W CFL Table Lamp</td> <td data-bbox="948 632 1284 672">\$10</td> </tr> <tr> <td data-bbox="391 672 948 711">25-W CFL Table Lamp</td> <td data-bbox="948 672 1284 711">\$10</td> </tr> <tr> <td data-bbox="391 711 948 751">30-W CFL Table Lamp</td> <td data-bbox="948 711 1284 751">\$10</td> </tr> <tr> <td data-bbox="391 751 948 791">55-W CFL Table Lamp</td> <td data-bbox="948 751 1284 791">\$10</td> </tr> <tr> <td data-bbox="391 791 948 831">55-W CFL Torchiere</td> <td data-bbox="948 791 1284 831">\$15</td> </tr> <tr> <td data-bbox="391 831 948 871">70W CFL Torchiere (two Lamps)</td> <td data-bbox="948 831 1284 871">\$15</td> </tr> <tr> <td data-bbox="391 871 948 911">Holiday Lights LED C7 - 25 count</td> <td data-bbox="948 871 1284 911">\$1</td> </tr> <tr> <td data-bbox="391 911 948 951">Holiday Lights LED C9 - 25 count</td> <td data-bbox="948 911 1284 951">\$1</td> </tr> </tbody> </table>	Measure	Incentive Level per Unit	13-W Integral CFL	\$1.50	18-W Integral CFL	\$1.50	25-W Integral CFL	\$1.50	20-W CFL Table Lamp	\$10	25-W CFL Table Lamp	\$10	30-W CFL Table Lamp	\$10	55-W CFL Table Lamp	\$10	55-W CFL Torchiere	\$15	70W CFL Torchiere (two Lamps)	\$15	Holiday Lights LED C7 - 25 count	\$1	Holiday Lights LED C9 - 25 count	\$1
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Milestones	<ul style="list-style-type: none"> • February 2008: Commission approval • February-March 2008: Issue implementation contractor RFP • March 2008: Issue retailer/manufacture RFP • April 2008: Select implementation contractor • April-May 2008: Retailer/manufacture selection and MOU; coop advertising plans for fall promotion • September 2008: Program launch • October 2008: Change a Light promotions begin 																								

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EM&V Requirements	<p>ComEd will work with evaluators to establish deemed savings values for incented CFL technologies. Evaluation activity will focus on verification of installation and estimates of NTG ratios. A process evaluation involving consumer and retailer surveys will be conducted to assess the CFL recycling pilot effort, which will inform the structure of the expanded initiative.</p> <p>Given limited evaluation resources, the impact evaluation will focus on those measures accounting for the majority of estimated installations and savings.</p> <p>Evaluations of market buy-down programs that do not collect participant contact information are challenging because of the difficulty in identifying where the bulbs are placed and how they are used. As a result, the energy savings for the program will be evaluated by focusing on the coupon aspects of the program. Because the coupon will be filled out in many of the stores that do not elect to use the bulk buy-down aspects of the program, the evaluator should have enough participant contact information to conduct the evaluation using participant-supplied bulb installation and measure use information gathered via a survey process. As a result, the evaluator will contact participants who have purchased one or more bulbs using a sampling approach stratified by the number of bulbs purchased to obtain a representative sample within purchase patterns.</p> <p>These participants will be contacted to obtain the baseline bulb conditions (what types of bulbs were replaced and their locations) and the CFL use conditions needed to calculate energy savings. The survey will also obtain information about storage for intended future use.</p> <p>If evaluation funds are available, a sample of participants will be asked to take part in a lighting logger study in which switching and burn hours are recorded and used to confirm energy savings. The survey will employ a battery of questions to establish free rider levels for the calculation of net to gross values.</p> <p>During the impact surveys, we would expect limited process information will be collected on the ease of purchase, the influence of the incentive on the purchase decision, and customer satisfaction with the bulb(s) under normal use conditions. Information will also be collected about relocation and lighting quality. In addition, information about the value and usefulness of the educational information will be collected. Interviews with program managers and trade allies will be conducted to assess the operational conditions of the program and to identify ways to improve the program.</p>
Administrative Requirements	<p>Most direct program administrative requirements will be handled by a third party implementation contractor. ComEd will manage the procurement of implementation services, provide overarching program design and marketing strategy, manage coordination with external stakeholders, and provide oversight of program QA/QC, tracking and reporting.</p> <p>Activities to be undertaken by the program implementation contractor include retailer/manufacturee recruitment and coordination, marketing strategy implementation, field services delivery, management/oversight of bulb recycling component, data tracking (incentive payments, customer data, retailer data, and bulb recycling volume), rebate processing and fulfillment, and reporting.</p>

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Other Program Metrics	<p>The principal program metrics are the annual energy and demand savings targets, and delivery at or below budgeted cost. Secondary program performance metrics include the number of participating retailers, Web hits on the CFL page, Call Center inquiries, and the number of recycled bulbs collected by participating retailers.</p>																																															