

### Northeast Utilities

#### NU Lighting Catalog Program

Northeast Utilities' Lighting Catalog Program is a relatively simple program designed to correct the market imbalance between conventional residential lighting sources and far more efficient, yet more costly, energy-efficient lighting products. NU developed a mail order program, based on a catalog that is circulated to its residential customers, to increase the penetration of energy-efficient lighting in the residential sector by offering subsidized prices for the equipment. For instance, while integral compact fluorescent lamps have list prices ranging between \$15-22, NU offers the same lamps to its customers for \$4 each!

The program began in September of 1990 and follows a basic process. First, the program is marketed using advertisements in newspapers and bill stuffers, both of which refer customers to a toll-free number:

1-800-5-BRIGHT. By calling the number, the customer receives the lighting catalog which describes 38 energy-efficient lighting products and includes an order form with a postage-paid envelope and a phone number that customers can call if they have questions. (Orders are handled by an independent contractor.) All products ordered carry a 30-day money back guarantee for anyone who is not completely satisfied with any product purchased through the program.

The program to date has outstripped its planners' projections. The initial print run of 100,000 catalogs was expected to last a year but was depleted after 6 months. Between September 1990 and October 1992 38,700 orders were filled, with orders averaging 10.7 products each. The estimated average savings per Lighting Catalog order is approximately 510 kWh/year. The program has resulted in annual energy savings of 19,800 MWh and lifecycle energy savings of more than 198 GWh. To date only 3% of NU's eligible customers have participated in the program.

NU's customers have spent a total of \$1.8 million on products ordered from the Lighting Catalog program. Through 1992, NU spent a total of approximately \$3.9 million on the program, or just over \$100 per participant, compared to the average customer cost of about \$50. The utility's cost for 1992 resulted in a cost of saved energy of 2.62¢/kWh at a 5% discount rate, although the first year cost of saved energy was considerably higher due to program startup costs.

NU has avoided restraint-of-trade criticism by encouraging manufacturers, wholesalers, distributors, and certain retailers to bid on the supply of catalog products. However, as the market changes, it seems likely that the Lighting Catalog prices will have to be increased in order to allow for fair competition with retail suppliers. Eventually, the Lighting Catalog will be phased out in favor of a mail-in rebate program that emphasizes retail availability of energy-efficient lighting products.

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#### NORTHEAST UTILITIES NU Lighting Catalog Program

**Sector:** Residential

**Measures:** Energy-efficient lighting

**Mechanism:** Utility sells lighting products through catalog below wholesale cost

**History:** Began in 1990 and continues through the present

##### 1992 Program Data

Energy savings: 8.24 GWh

Lifecycle energy savings: 82.39 GWh

Cost: \$1,668,917

##### 1990 - 1992 Program Data

Cumulative savings: 31.9 GWh

Lifecycle energy savings: 198.1 GWh

Cost: \$3,915,793

Participation: 3%

The Results Center produced 126 profiles of the most successful energy efficiency and renewable energy programs in the United States and around the world in the early and mid 1990s. With the support of the John D. and Catherine T. MacArthur Foundation, Ted Flanigan directed a research team at Colorado-based IRT Environment to produce and distribute these exceptional examples. Thanks to strong demand for solid case studies, The Results Center was supported by dozens of major utilities and energy associations worldwide. Today, The Results Center is managed again by Ted Flanigan, now at California-based EcoMotion Incorporated, a firm focused on strategic consulting, information dissemination, program design, outreach services, and aggressive implementation. To nominate highly successful programs, contact: The Results Center, c/o EcoMotion, 15375 Barranca Parkway, F-104, Irvine, CA 92618, (949) 450-7155, or [TFlanigan@EcoMotion.us](mailto:TFlanigan@EcoMotion.us)