

San Diego Gas & Electric

Commercial Lighting Retrofit

San Diego Gas & Electric's Commercial Lighting Retrofit program is one of the most unique and successful programs of its kind in the country. Not only is an unusual sales commission arrangement used to stimulate participation in the program, but the program has exceeded its targets for savings for each of the three years that it has been implemented. Analysts at SDG&E believe this success has been a direct result of the sales commissions paid. Lighting representatives are provided a base salary and then are eligible for a two-tiered commission based on their success. Furthermore, dissatisfied customers cost these reps money, as they have to repay twice the value of their commission on the job as a penalty.

In terms of program expenditures, the Commercial Lighting Retrofit program is SDG&E's largest program. In 1992 SDG&E spent approximately 1/3 of its total electric DSM budget on the program. As a result the program captured 44% of all electric DSM energy savings and 33% of all electric DSM capacity savings for the utility for the year.

The program also is unique in terms of the measures for which incentives are available. SDG&E offers commercial customers cash incentives for two, four, and eight foot fluorescent fixtures (which include lamps, ballasts, and optical reflectors) but the program has also convinced many customers to change out all of their interior lighting equipment for more efficient measures at the same time. SDG&E tries to sell the customer on retrofitting the entire lighting system by providing lighting recommendations and economic calculations for all lighting systems, regardless of type. Thus SDG&E tries to avoid having to perform a second retrofit. In a sense, the program incentives for select lighting efficiency measures leverage more comprehensive lighting energy savings, effectively foreclosing the lost opportunity of the retrofits' potentials. SDG&E will pay incentives for other "custom" measures which are determined to be cost effective and which are based on proven customer savings.

SDG&E conducts a custom bidding process for each job using a pool of precertified contractors who actually perform the retrofits. Through this fixed-price bidding process, SDG&E estimates that lighting retrofit costs are reduced by about 30% for each job. If customers elect to use their own contractors, the job must be initially surveyed by a SDG&E lighting representative, and then the job must meet performance standards before a rebate check is written. Typically the rebate pays for 50% of the total retrofit cost. Because of the different building sizes participating in the program, incentive payments have ranged from \$3,000 to \$500,000. With the SDG&E incentive, customer payback averages about one year for program measures.

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SAN DIEGO GAS & ELECTRIC Commercial Lighting Retrofit

Sector: Commercial

Measures: Lighting: two, four, and eight foot fluorescent lamps, ballasts, and optical reflectors

Mechanism: Custom financial incentives for installation of approved lighting measures

History: Started in September 1990

1992 Program Data

Energy savings:	52 GWh
Lifecycle energy savings:	780 GWh
Capacity savings:	13 MW
Cost:	\$9,383,700

Cumulative Data (1990 - 1992)

Energy savings:	202 GWh
Lifecycle energy savings:	1,770 GWh
Capacity Savings:	28.9 MW
Cost:	\$19,311,200

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