



NJCEP Lighting Markdown – RFP

November 21, 2011

Dear Prospective Energy Efficiency Program Partner:

New Jersey's **Clean Energy** Program™ (NJCEP), ("Program"), which is sponsored by the New Jersey Board of Public Utilities, is pleased to announce the 2012 New Jersey Lighting Promotion. The goals of the 2012 Lighting promotion are to (1) promote the sales of ENERGY STAR® qualified lighting products in New Jersey at reduced prices, (2) educate consumers and retailers alike on the benefits and uses of energy efficient lighting, and (3) to leverage manufacturer, retailer and other partner resources to promote New Jersey's other clean energy programs. In 2012 there are two possible tracks for partner participation in New Jersey's Lighting promotion. The attached documents explain how lighting manufacturers, distributors, New Jersey retailers and other partners (Trade Ally Partners) may use program incentives to reduce the retail prices of ENERGY STAR qualified lighting products through product retail "markdowns", similar to the NJCEP 2011 Lighting Markdown promotion. A second RFP has also been issued to accommodate alternative approaches to promoting initiatives that discount ENERGY STAR qualified lighting and educate New Jersey residents through community outreach and events. Lighting manufacturers, distributors, retailers, and other partners are welcome to submit alternative proposals under the NJCEP 2012 Community Outreach RFP.

Trade Ally Partners are invited to submit completed copies of the attached application for markdown promotions offered to NJ consumers throughout the year, ending December 31, 2012 (details below). Participating Trade Ally Partners must sign agreements with Honeywell ("Program Market Manager") to participate in the markdown promotion and receive Program reimbursement for product markdown. Payment of markdown reimbursements will be based entirely on documented, credible, store-level sales data.

To participate in a 2012 NJ Lighting Markdown promotion Trade Ally Partners must respond to this solicitation, with a completed application by **5:00 PM EDT December 19, 2011**. This application must include:

- A cover letter describing the proposed markdown promotion, indicating manufacturer, retailer or other Trade Ally contacts, and signed by the named individuals.
- A completed 2012 Lighting Markdown application form (see attached)
- 2012 Lighting Markdown promotion marketing plans
- Sample Point of Sales (POS) report documentation
- Contact information for the authorized retailer representative to sign off on POS report certification (POS data report certification required with submittal of all invoices).
- A list of proposed New Jersey retail locations or other NJ events
- 2011 sales data for eligible products included in the proposal for 2012.

Programs and funds for the 2012 New Jersey Lighting Markdown Promotion are pending NJCEP Board approval expected to be announced in December, 2011. All awards will be contingent on final Board approval of programs and budgets. The program reserves the right to cancel or modify the 2012 solicitation as per the Board's final approval. The Program will award Trade Ally Partners the right to use incentives on a competitive basis as described below. For more details, please see the attached Promotion Requirements and Guidelines.

If you have any questions, please contact Pedro Cabrera at (800) 225-0127 ext 3027.

Sincerely,

New Jersey's Clean Energy Program™

Enclosures

Lighting Markdown Promotion – RFP

Frequently Asked Questions

WHAT INCENTIVES ARE AVAILABLE? The 2012 Lighting Markdown promotion provides incentives that Trade Ally Partners can use to reduce the retail price of eligible ENERGY STAR® lighting products during the promotion period. Trade Ally Partners have flexibility in how they apply these incentives. The “Maximum Available Incentives” table on page 13 of this document lists the maximum incentive that may be applied per unit, by type of product. Partners are free to propose incentive levels equal to, or lower than, these maximums.

WHY WOULD A TRADE ALLY PARTNER PROPOSE TO USE LESS THAN THE MAXIMUM INCENTIVE? Proposals will be evaluated on the value created in terms of dollars per kilowatt hour of energy saved. The lower the incentive proposed per product, the greater the kilowatt hours of savings per program dollar spent, and the greater the value of the proposal. More valuable proposals will be given preference in the awarding of incentives.

WHAT PRODUCTS ARE ELIGIBLE FOR RETAIL PRICE INCENTIVES? Only lighting products that are qualified under the ENERGY STAR for CFL's, ENERGY STAR for Residential Light Fixtures, ENERGY STAR LED light bulbs and recessed LED downlights the ENERGY STAR Solid-State Lighting Luminaire programs (as of most recent list on energystar.gov website) are eligible. ENERGY STAR qualified products eligible for Lighting Markdown incentives include LED light bulbs and recessed LED downlights, screw-base compact fluorescent lamps, indoor and outdoor permanent and portable light fixtures, as well as ventilation and ceiling fans with light kits.

HOW ARE THE INCENTIVES PAID? Trade Ally Partners sign an agreement with the Program Market Manager detailing the numbers of specific ENERGY STAR qualified lighting products to be sold during the promotion, and how much Program incentive will be applied to each unit. After products are sold at reduced prices during the promotional period, Trade Ally partners submit an invoice with the **approved** “POS” data report documenting that the agreed upon number of eligible products have been sold and an authorized retailer POS data report certification .

WHO CAN APPLY? Trade Ally partners are welcome to respond to either or both RFPs. This promotion is open to Trade Ally Partners that sell eligible ENERGY STAR lighting products to New Jersey residents through retail locations (including online stores) or events in New Jersey. A manufacturer may submit several proposals with different retailers, and visa versa. However, each unique retailer/manufacturer pair should submit only one proposal covering all promotions that these Trade Ally Partners want to conduct together. **Note, no more than 3 proposals per Trade Ally partner may be submitted for consideration.**

IS THERE CO-OP ADVERTISING SUPPORT? The Program will **not** offer co-op advertising support in 2012 due to reduced budgets.

HOW MUCH MONEY IS AVAILABLE? The minimum product markdown request that will be considered in 2012 is \$50,000. (See application for specific incentive levels). **For 2012, no single manufacturer, retailer, Trade Ally partner team shall be awarded more than \$1,000,000 in the initial markdown incentive award. Additional funds, if available, may be awarded later in 2012 based on promotion performance.**

WHAT TYPES OF ACTIVITIES ARE ELIGIBLE? Incentives will be awarded based on the quality of the proposals, and at the discretion of the Program. To be eligible for the incentives, the Trade Ally Partners must meet all promotion requirements. Trade Ally Partners should work together to provide a customized program to promote ENERGY STAR® qualified lighting products and educate New Jersey residents on its benefits. Proposals should include details on how the Trade Ally Partners plan to market to their customers, including displays, demos, and advertising and educational materials. New Jersey's **Clean Energy** Program™ sponsorship must be clearly identified to New Jersey residents. The Program is interested in innovative, retail-oriented marketing approaches that meet the required promotion requirements and timeframe.

HOW WILL MY APPLICATION BE EVALUATED? Each application will be scored on ability to meet promotion requirements, marketing and promotion plan, and value to the Program. Preference will be given to

proposals that make the most efficient use of incentive funds, maximize the number of specialty CFLs and LEDs promoted, include “environmentally friendly” packaging and offer clear display of CFL/LED/Fixture specifications (such as wattages, color, equivalent incandescent replacement). (Please refer to Section II on page 5 for promotion evaluation criteria and consideration.)

HOW DO I GET STARTED? Review the application materials, including the Promotion Guidelines. Complete the application materials, including the Application Form and Funding Worksheet.

WHAT ARE THE IMPORTANT DATES?

2012 Lighting Markdown applications due	5:00 pm on December 19, 2011
Promotions start – product available at retail	Signed Agreement
Promotional Advertisement Completed – no later than	December 31, 2012
Promotions End – no later than	December 31, 2012
Documentation for incentive reimbursement due by	January 31, 2013

WHERE DO I SUBMIT MY APPLICATION OR GET MORE INFORMATION? Proposals must be submitted electronically to the email below and a hardcopy can be sent to the address below (you may request an electronic version of the application):

Pedro Cabrera
Program Manager, Honeywell
pedro.j.cabrera@honeywell.com

New Jersey’s **Clean Energy** Program
c/o Honeywell
145 Route 46 West
Wayne, NJ 07470
Attn: Pedro Cabrera
800-225-0127 ext. 3027; Fax 973-890-1531

2012 New Jersey Lighting Markdown Promotion

Lighting Markdown Promotion Requirements and Guidelines

I. Application Components

1. **Project Description:** Please provide a description, no more than 5 pages, of the proposed 2012 Lighting Markdown promotion. Describe each component of the promotion including the objectives of the proposed activities and the expected impact those activities will have on product sales. Description must also indicate how New Jersey's Clean Energy Program messaging will be incorporated into these activities throughout the promotion period (submit sample messaging with proposal). Clearly describe the role of each participating party (i.e. manufacturer, retailer, distributor and other partners), including marketing to be undertaken, promotional event support, etc. Note which party will be the primary contact and who will submit the proof of performance and POS data certification.
2. **Retail store or event locations covered under this proposal:** Attach store list with store number, address(s), and zip codes of those stores which will be participating in the promotion. Retailers with storefronts must have location(s) in New Jersey, and only those locations will be eligible. Store list must be provided in both hard copy and electronic format (MS Excel preferred). Partners offering discounted ENERGY STAR qualified products at events must attach a list of proposed events and locations.
3. **Communications:** Describe the process by which communications will be made from the Trade Ally partner to the store level on all aspects of the promotion including: products offered, product price points, date(s) product will arrive in stores, and advertising and marketing support. Provide the method by which each store's sales associates will be informed about the promotion.
4. **ENERGY STAR qualified promotional product:** Provide a list of all models that will be included in the promotion (see attached markdown trade ally product worksheet form). Confirm that all models included are listed as currently qualified on the ENERGY STAR® EPA/DOE web page, and will be available in the targeted retail stores/event during the period of the promotion. Partners may propose LED products that are pending DOE test results and EPA/DOE ENERGY STAR approval in early 2012. Once LED products are listed as ENERGY STAR by EPA/DOE, trade ally partners can notify NJCEP and request approval for these products. Products outside incentive category will be evaluated in 2012.
5. **Retail price incentives:** List pre-incentive retail price for each model number proposed before markdown is taken and projected retail price NJ consumers will pay at retail for the product after markdown. (see attached markdown trade ally product worksheet form). Provide proposed incentive per product and total incentive funding requested.
6. **Sample proof of performance (POS Data Report):** Payments for markdown incentives will be made based upon proof of performance showing actual quantities sold during the promotion period. Proposal must include sample electronic point of sales (POS) reports in order to be considered. Refer to Attachment A for the types of proof of performance that will be acceptable for payment purposes. The sample POS data reports must be approved by the Program prior to final promotional agreement. At a minimum, the POS report will include sales data by SKU, quantity sold, store/event location and date range. POS data reports will be provided on a monthly basis unless a less frequent period is agreed. Invoices must also include a POS data report certification form (see attachment C) to be signed by an authorized representative of the retailer Trade Ally Partner to be true and accurate. Additionally, proof of delivery documentation of lighting products shipped to New Jersey store locations may be requested. Final documentation for all incentive payments must be submitted no later than January 31, 2013.
7. **Baseline sales data:** The New Jersey 2012 Lighting Markdown Promotion is intended to provide retail incentives on eligible ENERGY STAR lighting products that are already being carried by participating Trade Ally Partner retailers. To help the Program determine the impact of the proposed promotion, applications must include sales data for all ENERGY STAR qualified lighting products carried at the retail locations indicated for the period January 1, 2011 through December 31, 2011 or most up to date POS data available.

8. **Timeline:** Application will include a timeline for the proposed promotion, including the anticipated start date and end date for each markdown, and any other important dates. Projects must begin when trade ally agreement is signed and end by no later than December 31, 2012.

II. Proposal Evaluation Criteria & Consideration

Proposals that meet the promotion requirements will be evaluated based on the following criteria:

1. **Ability to Leverage Resources.** Proposals should indicate financial contributions (additional partner discounts) the Trade Ally Partners are providing to the project, including but not limited to special promotional pricing.
2. **Verified Quality Product.** Preference will be given to ENERGY STAR qualified lighting products that have undergone additional, independent, third party testing not paid for by the manufacturers with results indicating performance meeting or exceeding ENERGY STAR requirements.
3. **Consumer Choice.** Preference will be given to proposals that maximize consumer options by offering a variety of ENERGY STAR qualified products such as CFL spirals, globe, reflectors, A type, 3-way and dimmable, as well as qualifying LED's, indoor and outdoor fixtures.
Comprehensiveness. Preference will be given to proposals that include all ENERGY STAR qualified lighting products sold at the participating retailers in the markdown promotion.
4. **Good Marketing Support.** Preference will be given to proposals that include permanent in-store signage for the duration of the promotion. Preference will also be given to, prominent in-store display space, special POP, advertising, product knowledge sessions for sales staff, and in-store demonstrations.
5. **Specialty Lamps.** Preference will be given to those proposals that support underserved product categories (i.e. reflector CFL's, dimmable (see Section IV) and 3-way CFL's, hard-wired and portable fixtures, and qualified LED's).
6. **Communication & Customer Service.** The Program strongly encourages Trade Ally Partners to establish a clear chain of communications from the manufacturer/buyer to the store manager and sales associate levels. Preference will be given to those proposals that succinctly establish a process/plan, (with checks and balances), that ensures sales associates and consumers will be well served with product information and education by the participating retailer.
7. **Customer Education.** Preference will be given to proposals that clearly communicate the features and benefits of ENERGY STAR lighting through product packaging, in-store signage, POP materials, and advertising. This includes "environmentally friendly" product packaging that shows clear product specification such as CFL wattage, color, lumens and equivalent incandescent replacement. Product packaging with clear instructions on product returns in case of premature failure will be given preference.
8. **Sales Real Estate Commitment.** Preference will be given to proposals that increase shelf or floor space for ENERGY STAR labeled lighting products.
9. **Good Point of Sales Data.** Preference will be given to proposals that provide point of sales data above the minimum requirements in attachment A and are highly accountable.
10. **Market Lift.** Trade Ally proposing promotions utilizing program incentives for incremental sales of qualified products that demonstrate verifiable lift over existing sales volumes will score higher in the proposal evaluation.
11. **Performance.** Prior partner performance of similar promotion.
12. **Recycling.** Partners that propose CFL recycling at the retail stores level or offer other recycling options to consumers will score higher in the proposal evaluation under recycling.

III. Promotion Requirements and Guidelines

- **Partners must place and maintain signage throughout the promotional period indicating that the product discount is courtesy of New Jersey's Clean Energy Program™.** A standard template for using the logos will be provided.

- All products being promoted must be supported with signage approved by the Program noting the discounted price.
- All ads utilizing the NJCEP logo must be approved by the Program prior to their placement.
- The Program reserves the right to reject projects that are not targeted to New Jersey residents.

IV. General Eligibility

This promotion is designed to provide retail price incentives support for promotional activities conducted by Trade Ally Partners in New Jersey. The eligible products are:

- ENERGY STAR qualified screw-based compact fluorescent light bulbs (CFL).
- ENERGY STAR qualified indoor and outdoor permanent and portable fluorescent lighting fixtures, including ventilation and ceiling fans with light kits.
- ENERGY STAR qualified LED light bulbs and recessed downlights
- All promotional products must be qualified under the most current version of the relevant ENERGY STAR specification.(as listed on www.energystar.gov)

The following products are NOT eligible for incentives:

- ENERGY STAR qualified outdoor fixtures which do not use a fluorescent lamp.
- Other energy efficient lighting products that are not ENERGY STAR qualified.
- Other ENERGY STAR qualified solid state lighting (SSL) technologies not listed above

All models must be available in the applicable retail stores during the period of the promotion and carry the ENERGY STAR logo on product packaging as required by EPA.

Trade Ally Partners must agree to the Promotion Requirements and Guidelines outlined in this solicitation. Funding for activities can only be provided for retail or event locations within the State of New Jersey. Trade Ally Partners must provide a store list (both hardcopy and electronic – MS Excel preferred) with zip codes for these activities. Non-retail offers, Electric wholesalers and catalog retailers are excluded.

To be eligible to participate in the promotion, Trade Ally Partners must meet the following criteria:

1. Trade Ally Partners must complete all approved promotions by December 31, 2012. Promotional product sold after December 31, 2012 will not be eligible for retail price incentive markdowns.
2. Trade Ally Partners will cooperate fully with Program requests for information as to products ordered and shipped to each retailer to ensure products are available during the promotion period.
3. Trade Ally Partners will cooperate fully with Program field staff and provide access to promotional products in inventory.
4. Trade Ally must have a method for tracking and recording the actual (or estimated) impact of the proposed activities on the sales of their qualified products

In no event will the Program make any payments to Trade Ally Partners prior to the execution of a signed agreement.

Trade Ally Partners shall report immediately any suspected incidents of irregularities or fraud to the Program.

Reimbursements of markdown incentives will be made only upon submission by Trade Ally Partners of proof of performance showing actual quantities of promotional products sold during the promotion period ending December 31, 2012. Requests for reimbursement must be consistent with the models, number of products and incentive amounts included in the agreement between the Trade Ally Partners and the Program. For point of sale data requirements see Attachment A.

The Program reserves the right to verify point of sale documentation submitted. If all elements of the proposed project(s) are not complete, or adequate proof of performance is not submitted by the specified date, the Program reserves the right to pro-rate the amount of the payment to reflect only the portion of the

project that was completed and documented. Fraudulent documentation may result in prosecution, termination from the promotion, and non-payment of all outstanding claims.

The Program will require updates as to products ordered and shipped to each retailer to ensure products are available during the promotion period and funds are being spent (see attachment B). The progress of promotions will be monitored during the promotional period by comparing submitted proof of performance against sales milestones included in the agreement between the Program and Trade Ally Partners. If sales milestones are not met, the Program reserves the right to reduce the amount of incentives awarded.

The Program reserves the right to impose additional requirements, as necessary, in order to maintain the integrity of the program.

The promotion design and funding outlined in these rules and related promotion materials reflect the current intent of New Jersey's Clean Energy Program™ and the New Jersey Board of Public Utilities (BPU), but may be modified by the Program at any time and without prior notification. The Program may terminate a project at any time for non-compliance.

Trade Ally Partners cannot state or imply that they have been rated, ranked, or endorsed by the Program. Trade Ally Partners may not use or display any of the logos, names, or identity unless approved in advance by the Program.

It is the Trade Ally's responsibility to ensure that all uses of the ENERGY STAR logo comply with ENERGY STAR program requirements.

Lighting Markdown RFP Attachment A:

Proof of Performance Requirements

A. Product Incentive	Required Proof of Performance (Includes but is not limited to)
<p>Markdown:</p> <p>Trade Ally Partners must submit all the required proof of performance in order to receive incentive funding for product sold in New Jersey retail stores.</p>	<p>Invoices from Trade Ally Partners requesting incentive payment must be addressed to:</p> <p style="padding-left: 40px;">New Jersey's Clean Energy Program™ 2012 Lighting Markdown Promotion c/o Honeywell 145 Route 46 West Wayne NJ 07470 Attn: Pedro Cabrera</p> <ol style="list-style-type: none"> 1. Invoices must include an invoice number, date, detail model numbers, quantity of products sold, product type, and incentive level according to product type, total incentive funding, , and final requested amount. Only qualified products sold during the promotional period will be approved. Invoice support for markdown incentive must include actual point of sales data report (electronic) provided by the retailer for the invoice period. 2. Payments for markdown incentives will be made based upon proof of performance showing actual quantities sold during the promotion period, signed trade ally agreement to December 31, 2012. The POS data reports submitted with invoices must be the same as sample included with proposal and approved by the Program prior to final promotional agreement. Invoices must also include a POS certification form (see attachment C) to be signed by an authorized representative of the retailer Trade Ally Partner to be true and accurate. Minimum requirements for POS data reports includes sales data by SKU, quantity sold, store location and date range. POS data reports will be provided on a monthly basis unless a less frequent period is agreed. 3. Additional documentation may be required to show proof of delivery of lighting products to retail store locations, ex: copy of invoices, purchase orders, packing slips or bill of lading from manufacturer to retailer showing retail store and address where product delivered, quantity delivered, date delivered, and signature of recipient. 4. Final documentation for all incentive payments must be submitted no later than January 31, 2013 5. Trade Ally Partners are encouraged to combine multiple store locations into one invoice and submit no more that two invoice packages per month in order to expedite payment.

Lighting Markdown RFP Attachment B: Shipment Update Report Template

Partners may be asked to submit shipping reports as additional proof of performance (sample below).

Retailer A

Status	Date	Product Type 1 (i.e. 13W)	Product Type 2 (i.e. 15WR30)	(etc.)
Scheduled to Ship	8/1/2012	5,000	3,000	(etc.)

Lighting Markdown RFP Attachment C:

Point of Sales Report Certification

(to be included with all invoices and POS reports)

I, _____ hereby certify that to the best of my knowledge the data reported on the Point of Sales (POS) report(s) for the period covering _____ are accurate and a true reflection of qualified ENERGY STAR® lighting products sold during the promotion period.

Retailer: _____

Manager: _____

Title: _____

Signature: _____

Date: _____

(Trade Ally contact for Sales Report Certification to be specified in proposal)

New Jersey's **Clean Energy** Program™
ENERGY STAR® 2012 Lighting Markdown Promotion
Lighting Markdown Application Form

To be complete, your application **must** include all of the following information:

Contact Name:		Company:	
Mailing Address:			
City:	State:	Zip Code:	
Contact Phone:		Contact Fax:	
Email Address:			
Retail Project Partner:			

1. ENERGY STAR qualified Promotional Products (Check all that apply):

- | | | |
|--|--|--|
| <input type="checkbox"/> Compact Fluorescent Lamps (CFLs) | <input type="checkbox"/> Specialty CFLs | <input type="checkbox"/> Ceiling Fan w/Light Kit |
| <input type="checkbox"/> Hardwired Fixtures (Indoor/Outdoor) | <input type="checkbox"/> Torchiere | <input type="checkbox"/> LED Light Bulbs |
| <input type="checkbox"/> Ceiling Fan Light Kit | <input type="checkbox"/> Portable Fixtures | <input type="checkbox"/> LED Recessed Downlights |

2. Type of Promotional Activity(ies) - (Check all that apply, must check at least one):

In-Store Promotional Displays:

- | | | |
|---|--|--|
| <input type="checkbox"/> End Cap Display | <input type="checkbox"/> Point of Purchase Materials (POP) | <input type="checkbox"/> Headers/Signage |
| <input type="checkbox"/> Other (Explain): _____ | | |

Advertising:

- | | | | |
|--|-----------------------------------|--|---|
| <input type="checkbox"/> Newspaper Ad(s) | <input type="checkbox"/> TV/Radio | <input type="checkbox"/> Retailer Circular | <input type="checkbox"/> Other (Explain): _____ |
|--|-----------------------------------|--|---|

3. Provide a description of your proposed project, using the attached guidelines provided in Section I.

4. Provide a completed Product Type/Incentive Level Worksheet included in this packet.

5. Name of Participating Manufacturer, Retailer and/or Trade Ally partner: Applications must be signed by both the manufacturer and the retailer in order to be considered.

Signature of Trade Ally Primary Contact

Signature of Retailer or Manufacturer Partner

Name (printed or typed)

Name (printed or typed)

Date

Date

By signing this document, you certify that:

1. You have read, understand, and agree to the attached Promotion Requirements and Guidelines.
2. The information in this proposal is true and correct. You understand that submission of misleading, untrue, or incorrect information will be grounds for disqualifying all of the proposed activities in this proposal.

**New Jersey's Clean Energy™ - ENERGY STAR® 2012 Lighting Markdown
Incentive Schedule**

2012 Maximum Available Incentives: Trade Ally Partners may only request incentives for qualified products **up to 50% of retail price** and not exceed maximum available incentives listed below.

2012 NJCEP Lighting Markdown Promotional Products	
Standard ENERGY STAR qualified CFL's	
Standard CFL (single pack)	\$0.70/bulb
Standard CFL (multi-pack)	\$0.50 per bulb (\$6 max/pkg)
Specialty* ENERGY STAR qualified CFL's	
Specialty CFL (single pack)	\$3/bulb
Specialty CFL (multi-pack)	\$2/per bulb (\$8 max/pkg)
ENERGY STAR qualified LED's	
ENERGY STAR qualified LED Light Bulbs – Omni directional A19 and reflectors	\$10/bulb
Non omni directional A19	\$ 6.00/bulb
ENERGY STAR qualified LED Recessed Downlights	\$20/unit
Outdoor Light Fixtures (fluorescent)	\$10/fixture
Indoor Permanent Light Fixtures	\$15/fixture
Indoor Portable Light Fixtures (ex: desk lamps)	\$7/fixture
Ceiling Fans w/lights or light kits	\$15/unit
Dimmable Indoor Light Fixtures	\$20/fixture

* "Specialty" products are defined as reflector CFLs, Globe shaped covered CFLs, and 3-way or dimmable CFLs (note additional eligibility requirements in section IV).