

New Jersey Office of Clean Energy



Residential Lighting Promotion

Request for Proposal Seeking
Manufacturer and Retailer Proposals for the Residential
Lighting Program

Issued by ICF International Residential
Lighting Team

June 15, 2016

June 2016

Dear Prospective Energy Efficiency Program Partner:

The New Jersey Board of Public Utilities and its *Clean Energy Program* (“NJCEP”) (“Program”) is pleased to announce the Fiscal Year 2017 (“FY17”) New Jersey Energy Efficient Products Promotion which will run from July 1, 2016 through June 30, 2017.

There will be two possible tracks for partner participation: 1) Creative Outreach and Education Promotion and 2) Residential Lighting Markdown Promotion. Both are open to all manufacturers, distributors, New Jersey retailers and other trade ally partners. A partner may submit a proposal to one or both tracks. The deadline for submission of both RFPs is **5:00 PM EDT July 1, 2016**.

The goals of the Residential Lighting Program are to:

- Create awareness of NJCEP programs.
- Educate consumers on the benefits of energy efficient LED lighting and appliances. Encourage consumers to move beyond the “first step” of using energy efficient lighting products and to take the next step to adopt more significant energy efficiency measures.
- Focus underserved residential markets.

The Program is interested in innovative and creative approaches that meet the required promotion goals within the stated timeframe.

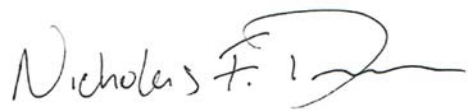
To participate in the Residential Lighting Promotion, partners must submit a complete application package by **5:00 PM EDT July 1, 2016**, which must include the following:

- A complete application form and cover letter describing the proposed promotion in detail;
- A proposed communication and marketing plan.

Final program approval and funding for the FY17 New Jersey Residential Lighting Markdown Promotion is pending approval by the New Jersey Board of Public Utilities and are expected to be announced in mid-July for an August 1, 2016 start date. All awards will be contingent on final Board approval of FY17 programs and budgets. The program reserves the right to cancel or modify this solicitation. The Program will award Partners the right to use incentives on a competitive basis as described below. For more details, please see the attached Promotion Requirements and Guidelines as well as the Frequently Asked Questions.

If you have any questions, please contact Nick Plouffe (413) 813-7340 at ICF International. **Please do not reach out to the BPU regarding this proposal.**

Sincerely,



Northeast Energy Efficiency Program Manager
New Jersey’s Clean Energy Program

Section I - Objective

New Jersey's Clean Energy Program (NJCEP) requests proposals for Promotions with Lighting Manufacturers and Retailers selling ENERGY STAR® certified and value LED lighting products as part of its Residential Lighting Program. The Program is designed to educate residential customers and guide them towards making purchases that will help reduce their energy usage. These energy efficient purchases help customers save on their bills, leading to increased customer satisfaction, as well as making significant contributions to NJCEP goal to decrease energy consumption.

The proposals should detail comprehensive promotional plans that allow NJCEP to maximize cost-effective energy (kilowatt-hour) savings to their customers with a focus on increasing the sale and awareness of a wide variety of quality lighting products. Promotions should be designed to complement core aspects of NJCEP strategic marketing plan (see the Marketing section). This Program is targeted towards residential customers, so proposals should be for residential lighting products and retailers only.

We invite Manufacturer/Retailer teams to submit proposals for the use of NJCEP's promotional incentives, and encourage innovative and creative approaches to ENERGY STAR and value LED lighting promotions. Additionally, NJCEP is increasingly interested in maximizing the environmental attributes of energy efficient lighting.

Section II – Proposal and Promotion Requirements

Eligible Products:

All ENERGY STAR certified screw-based, standard and specialty LED bulbs (as listed on www.energystar.gov) and value LEDs as defined by the specification attached. Promotional products may fall into one of three product types:

- a) ENERGY STAR Lamp Program Requirement Version 1.1
- b) ENERGY STAR Lamp Program Requirement Version 2.0
- c) Value LED specification

Promotional product submitted under the ENERGY STAR V1.1 specification must be on the qualified product list in order to be approved under the program. Promotional product proposed under ENERGY STAR V2.0 will be vetted against the Final V2.0 specification listed on energystar.gov.

Promotional product submitted under the Value LED product option must include a copy of the required documentation as noted on the Value LED speciation.

CFL bulbs are not eligible.

Note: NJCEP reserves the right to exclude specific ENERGY STAR certified products and/or value LED products from this promotion for any reason including results of independent, third-party testing. Manufacturers may offer replacement products; however, NJCEP is under no obligation to accept these replacements.

Promotion Duration:

The promotion duration is July 1, 2016 through June 30, 2017, or while funding is available. Based on performance of promotions, NJCEP may consider extension requests beyond June 30, 2017.

Section III – Types of Proposals Requested

NJCEP requests proposals for promotions from Manufacturer/Retailer partner teams or from independent retailers. In addition to Markdown promotions, respondents should consider a variety of promotion types and are encouraged to submit proposals for other promotion structures (like the Creative Outreach and Education Promotion) that may represent a different or new opportunity that has not yet been implemented. For any proposal submitted that is different than Markdown, responders to the Creative Outreach and Education Promotion must submit a full and complete description of the promotion as well as the full detail of all products being proposed.

NJCEP would also like to see proposals that contain creative marketing and product diversity. Alternatives to Markdown promotions will be given equal consideration by NJCEP, and any proposed promotion may include one or more promotional elements.

Preference will be given to proposals that include strong manufacturer and/or retailer promotional marketing support (see Marketing section). NJCEP encourages manufacturers and retailers to be innovative and creative in developing approaches to promoting energy efficient lighting as well as general education and promotion around other energy efficiency programs offered by NJCEP.

Markdown Promotions:

Partners may apply for the reduction of regular retail prices on energy efficient lighting products through Product Markdowns.

- a) **Promotion Description:** Respondents will apply for a Markdown by proposing maximum quantities of each product for consideration and the amount of reimbursement requested for each product (see the Target Incentive section of this RFP for guidelines). Reimbursement for product sales will be made at 100% of the agreed amount upon receipt of store level sales data. Instructions for data submittal will be included in the Memorandum of Understanding (MOU). Data will be provided, along with invoicing, on a minimum of a monthly basis, unless a less frequent period is agreed upon in advance. In addition to monthly invoicing, reports of sales data, including store and SKU specific data will be made on a weekly basis.
- b) **Eligible Retail Locations:** All stores located within the state of New Jersey are eligible to participate in Markdown promotions.
- c) **Qualifying Partners:** Only retail outlets with electronic Point of Sale (POS) systems may participate. Sample data report(s) must be submitted by bidders with their proposals and approved by NJCEP prior to final promotional agreement (signing of the MOU).

- d) **Documentation Required:** Proposals MUST include sample POS reports in order to be considered. This report will include sales data by SKU, store location, and date range. Additionally, documentation of delivery to store locations may also be required. Once product mix, packaging and quantities are established and agreed upon, they cannot be changed without prior written Sponsor approval.
- e) **Purchase Limits:** NJCEP will not incentivize bulks sales, and thus will require limits of 25 total bulbs per customer.
- f) **Target Incentive Per Bulb or Fixture:** The following values are the maximum incentives that can be applied per bulb or fixture as part of a Markdown program. Please submit proposals for incentives that are lower than or equal to, but not greater than the maximum per bulb or fixture incentive listed. NJCEP reserves the right to assign incentive levels for products lower than the maximum indicated.

Product Type	Subtype
Standard LED	Standard Omni A-Line
Specialty LED	BR, Globe, PAR, R, Torpedo, Flame Tip, Other Decorative, 3-way
LED Fixture	LED Downlights

Specification	Product Type	Maximum Incentive Per Bulb
ENERGY STAR V1.1	LED Standard	\$3.00
ENERGY STAR V1.1	LED Specialty	\$5.00
ENERGY STAR V2.0	LED Standard	\$3.00
ENERGY STAR V2.0	LED Specialty	\$5.00
ENERGY STAR Light Fixture V2.0	LED Fixture	\$8.00
Value LED	LED, 750-1049 Lumens (limited to A-line only)	\$1.00

Section IV – General Promotion Guidelines

Marketing:

Because brand recognition of NJCEP’s Program is critical to the success of NJCEP’s Lighting Program, marketing is essential. Manufacturers and retailers are encouraged to consider adding marketing information to their proposals. NJCEP is interested in opportunities for collaboration to produce marketing materials or run special promotions to enhance NJCEP’s presence at retail.

Suggestions for topics to include are:

- a) Leverage existing Point of Purchase (POP) pieces that NJCEP uses in the marketplace, as well as suggesting unique materials that reinforce brand recognition and promote the product.
- b) Provide opportunities for ways to take advantage of planned promotion themes, including Energy Efficiency Month (October), Earth Day, Daylight Savings Time, etc.
- c) Support NJCEP's efforts to educate consumers about the benefits of LED lighting products and the proper application and use of particular products.
- d) Support NJCEP's other energy efficiency program offerings through efforts such as displaying educational and promotional materials
- e) Create retail associate trainings and sales contests to get sales associates involved and excited about the promotion.
- f) Conduct in-store promotional events focused on customer education and interaction.
- g) Dedicate off-shelf product placement in prominent store locations, including end caps and floor displays, with creative signage and special POP materials or packaging.
- h) Identify opportunities to be included on retailer website, in weekly circulars, e-mails to customers, newspaper ads or other print advertising.
- i) Provide schedules of any planned promotional offers or off-shelf placement in stores, which could potentially be an opportunity for utility collaboration.

Marketing Requirements:

- a) All use of NJCEP, ENERGY STAR, or other logos must be in compliance with appropriate logo use.
- b) All Creative Materials (POP, advertising, collateral) must be submitted for approval prior to printing or production.
- c) All Creative Materials must adhere to all NJCEP logo Guidelines as well as the U.S. EPA and DOE ENERGY STAR Identity Guidelines.
- d) All details on the marketing element of a proposal should be included in the *Proposed Product Markdown Workbook* in the *Marketing Proposal* tab.

Section V – Selection Criteria

Selection and funding of any submitted proposal will be based on:

- a) Ability to provide accurate, complete verifiable store-level sales data – preference will be given to computerized Point of Sales (POS) data and to those proposers that are able to provide **pre and post promotional activity sales data**.
- b) All products being compliant with ENERGY STAR spec V1.1, V2.0, or the attached Value LED spec.
- c) Creative marketing plans, special events that tie in other NJCEP retail-based conservation programs at retail, and/or consumer education plans that support the NJCEP marketing outlined in this RFP.
- d) Frequency of in store and general media promotions and promotional product placement.
- e) Manufacturer's and/or Retailer's overall previous performance history in past NJCEP

programs. This history includes, but is not limited to, the ability to provide SKU level sales data for the proposed promotional period one year prior to the proposed promotion (thus enabling better program impact analyses).

- f) Proposed product mix – variety/style of LEDs, including specialty LED products (dimmmable, 3-way, reflector, flood, etc.) and a range of product wattages, color temperature and lumen output. Bulbs with higher efficacies are preferred.
- g) Point of Purchase materials and displays used to enhance NJCEP promotions at retail. These materials should reinforce brand recognition and generate awareness of NJCEP sponsorship and ENERGY STAR certification (if applicable).
- h) The ability to keep incentivized products available in stores.
- i) Manufacturer’s own in-field merchandising or servicing team is not required, but NJCEP would be interested in hearing about any in-store services the manufacturer or retailer can offer.

NJCEP reserves the right to refuse any proposal or to negotiate the specifics of any submitted promotion, including funding levels. Incentive funds will be available only upon written confirmation (Memorandum of Understanding) from NJCEP. Bidders should understand that ACTUAL incentive amounts will be based on compliance with the MOU and performance of the Bidders and are not guaranteed. NJCEP reserves the right to subsequently reallocate or deny funding of promotions which are deemed non-performing, and/or fail to comply with MOU guidelines.

Section VI – Preparing a Proposal

Proposals cannot exceed \$3,000,000 and must include a separate, completed *Proposed Product Markdown Workbook* (see attached MS Excel files). A separate workbook must be completed for each promotion. Detailed information on the proposed Markdown promotion should be included in the *Markdown Promotion Details* tab. For promotions that are different than a markdown, please fill out the *Alternative Promotion Details* tab in the *Proposed Product Markdown Workbook*. **Incomplete Workbooks will not be considered.**

Submission Deadline and Requirements:

- a) **The deadline for submission of proposals is July 1, 2016 5:00 EDT.** Completed proposals must include:
 - o Completed *NJCEP Lighting Program Promotion RFP Checklist and Signature Form*. Please submit multiple signature pages for each proposed promotion
 - o All sample documentation (i.e. store-level sales data reports, marketing samples) pertinent to the promotion proposed
 - o Completed *Proposed Product Markdown Workbook*
- b) Please submit all proposals to ICF International through our web portal <https://eeprocurementportal.icfwebservices.com> by July 1, 2016 5:00 PM EST.

Questions regarding this RFP, developing a promotion proposal, or other aspects of the NJCEP’s Residential Lighting Program should be directed to EEProcurementPortalTeam@icfi.com.

APPENDIX A: PROPOSAL CHECKLIST AND SIGNATURE FORM

The following information must be submitted to participate in NJCEP's Residential Lighting Program (please complete one for each retail partner):

Please indicate that the Workbook is completed, including each tab (if applicable):

- Proposed Product Markdown Workbook*
- Promotion Specifics* (required)
- Retailer List* (required)
- Marketing Proposal* (if applicable)
- Alternative Promotion Details* (if applicable)

Please indicate that the sales data is included:

- Samples of store level sales data reports

Please indicate that sample marketing materials are included (if applicable):

- Samples of marketing materials

Sales data to be provided by: (Check one)

- Manufacturer
- Retailer

Reimbursement to be paid to: (Check one)

- Manufacturer
- Retailer

By submitting this Form, I acknowledge that I have executed a NJCEP Residential Lighting Promotion Request for a Manufacturer and/or Retailer Proposal and that approval of a Proposal is contingent upon my complying with the RFP requirements. **I understand that incentive funding is available only upon written confirmation (Memorandum of Understanding) from the participating sponsor.** Incentives per product cannot exceed the retail purchase price. I agree to implement the promotion as described in the Memorandum of Understanding (MOU) upon receipt of written confirmation.

NJCEP reserves the right, from time to time, to request and receive from its Manufacturer and Retail partners, source documentation pertaining to the Point of Sale data and corresponding reimbursement request, in order to verify the accuracy of the data and evaluate and/or measure Promotion Product Sales to determine the effectiveness of the MOU and Manufacturer's activities in connection with the MOU and to ensure program activities are in compliance with the standard requirements for quality assurance.

NJCEP reserves the right to reallocate or deny funding of promotions which are deemed by NJCEP as non-performing. NJCEP may refine any selected proposal through subsequent discussions and negotiation with the proposing party. NJCEP also retains the right to reject any and all submitted proposals. By signing this form I am certifying the validity of the POS system and sales data that will be submitted on behalf of this promotion.

Authorized signatures:

Retailer: _____

Manufacturer: _____

Print name: _____

Print name: _____

Date: : _____

Date: : _____