

# Product Flow

the market's agent of change



More saving.  
More doing.™

1728 TOMAHAWK ISLAND DR  
PORTLAND OREGON 97217 (503) 289-9200

4007 00058 35368 08/19/14 01:36 PM  
CASHIER SELF CHECK OUT - SCOT58

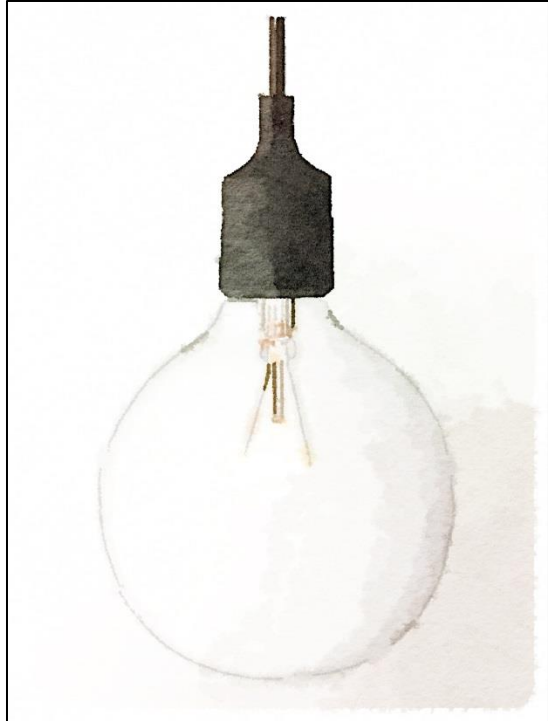
810048025992 6W 27K 1 PK <A,S> 5.97  
CREE 6W (40W) SW LED 1 PK  
046677433147 PLC60WSLIM <A,S> 5.97  
PLC 10.5W=60W LED SLIM A19 27K DIM

SUBTOTAL 11.94  
SALES TAX 0.00  
TOTAL \$11.94  
XXXXXXXXXX7121 DEBIT 11.94  
AUTH CODE 761845



4007 58 35368 08/19/2014 9001

RETURN POLICY DEFINITIONS  
POLICY ID DAYS POLICY EXPIRES ON  
A 1 90 11/17/2014  
THE HOME DEPOT RESERVES THE RIGHT TO  
LIMIT / DENY RETURNS. PLEASE SEE THE  
RETURN POLICY SIGN IN STORES FOR  
DETAILS.



**Product flow**

**Stock**

# Product flow

## = today's choices

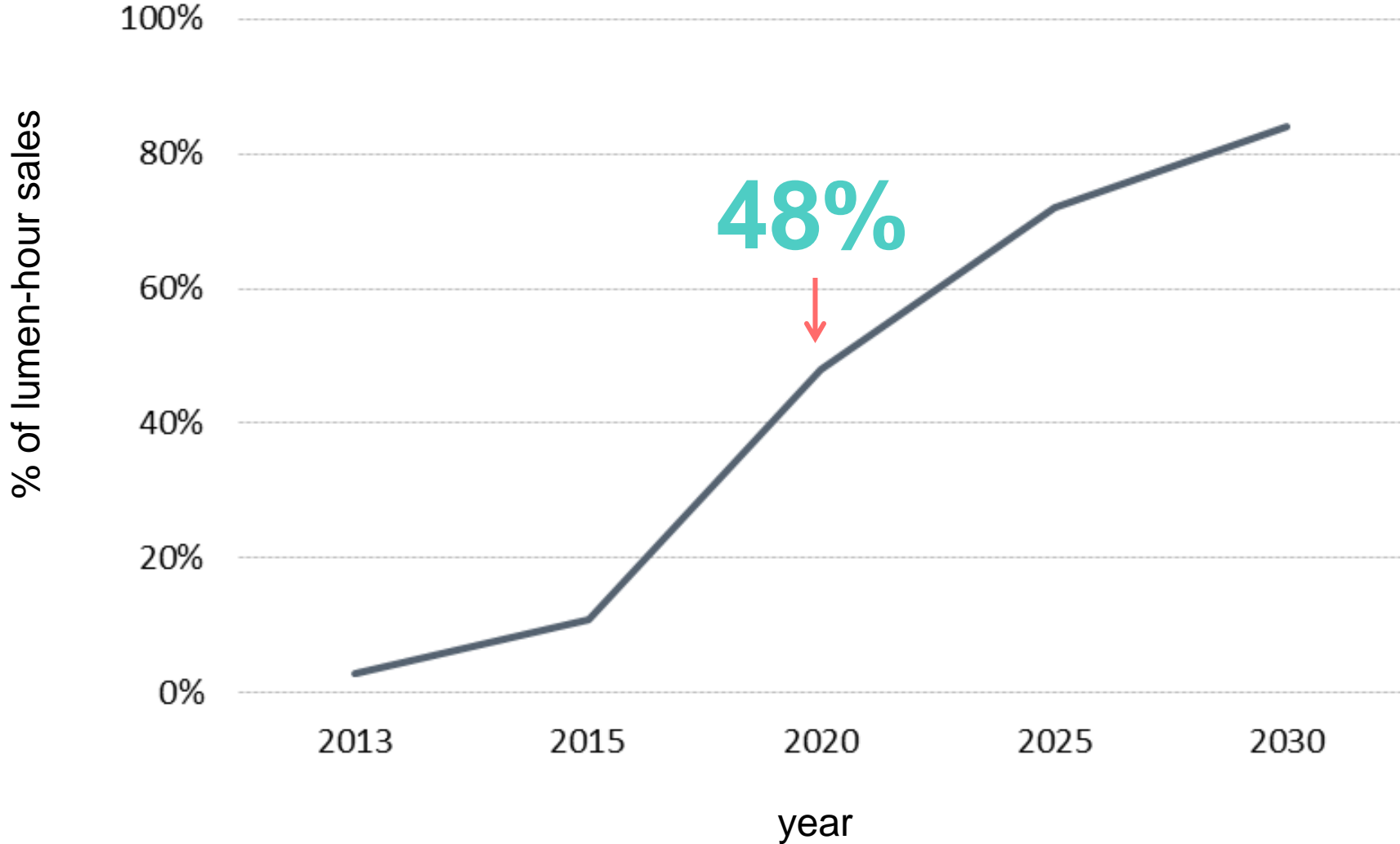


# Stock

= historical choices



# Projected growth in LED sales, all sectors



Source: Energy Savings Forecast of Solid-State Lighting in General Illumination Applications, DOE, AUG 2014

The product flow is the agent of change.

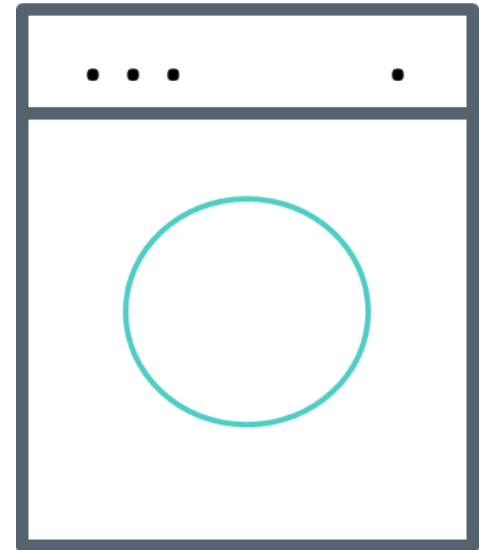
The product flow is:

1. the current practice baseline
2. how we capture net market effects and Momentum Savings

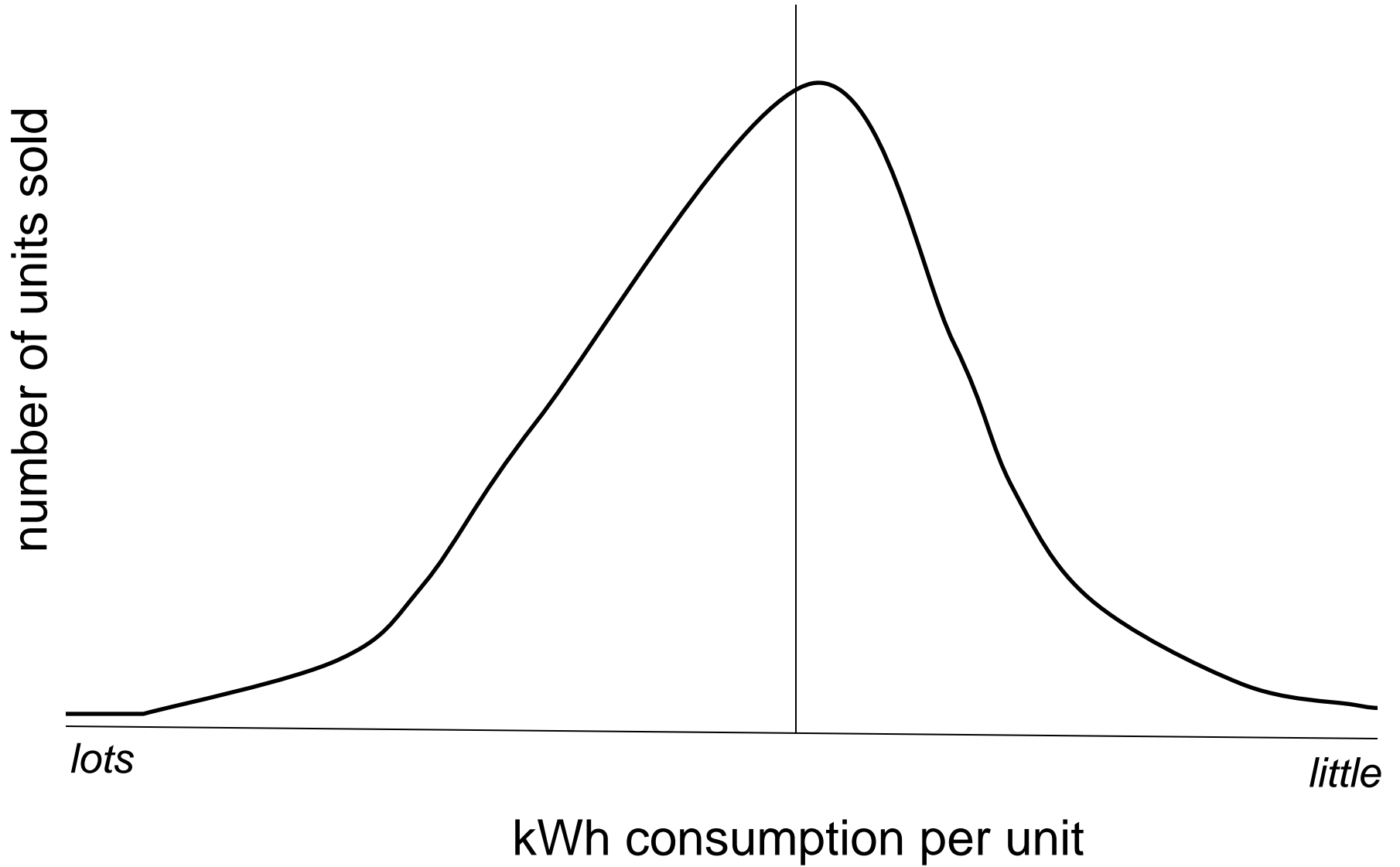
# Baselines



**We almost lost our  
clothes washer measures.**

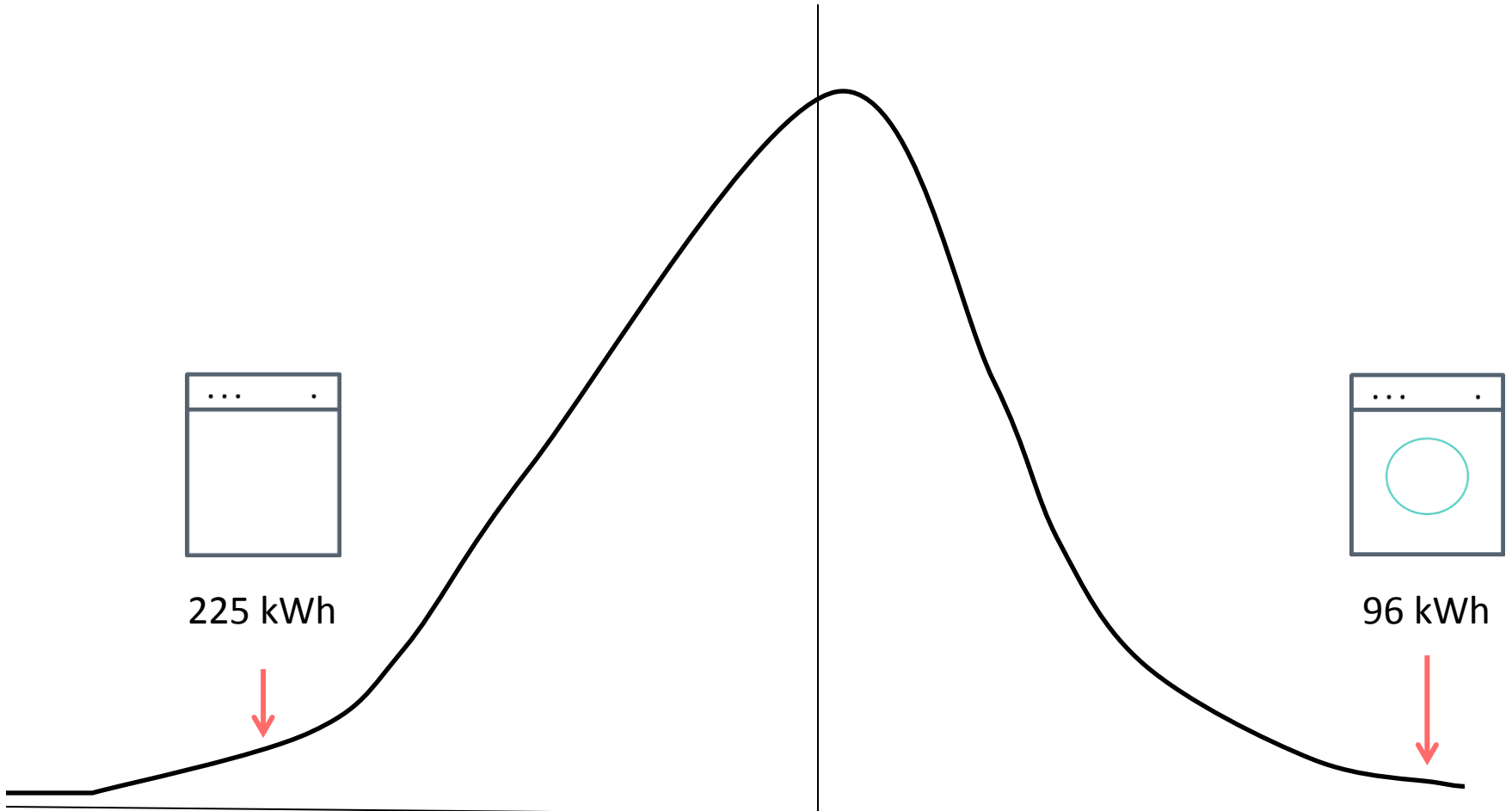


# the market average



# the market average

number of sales



225 kWh

96 kWh

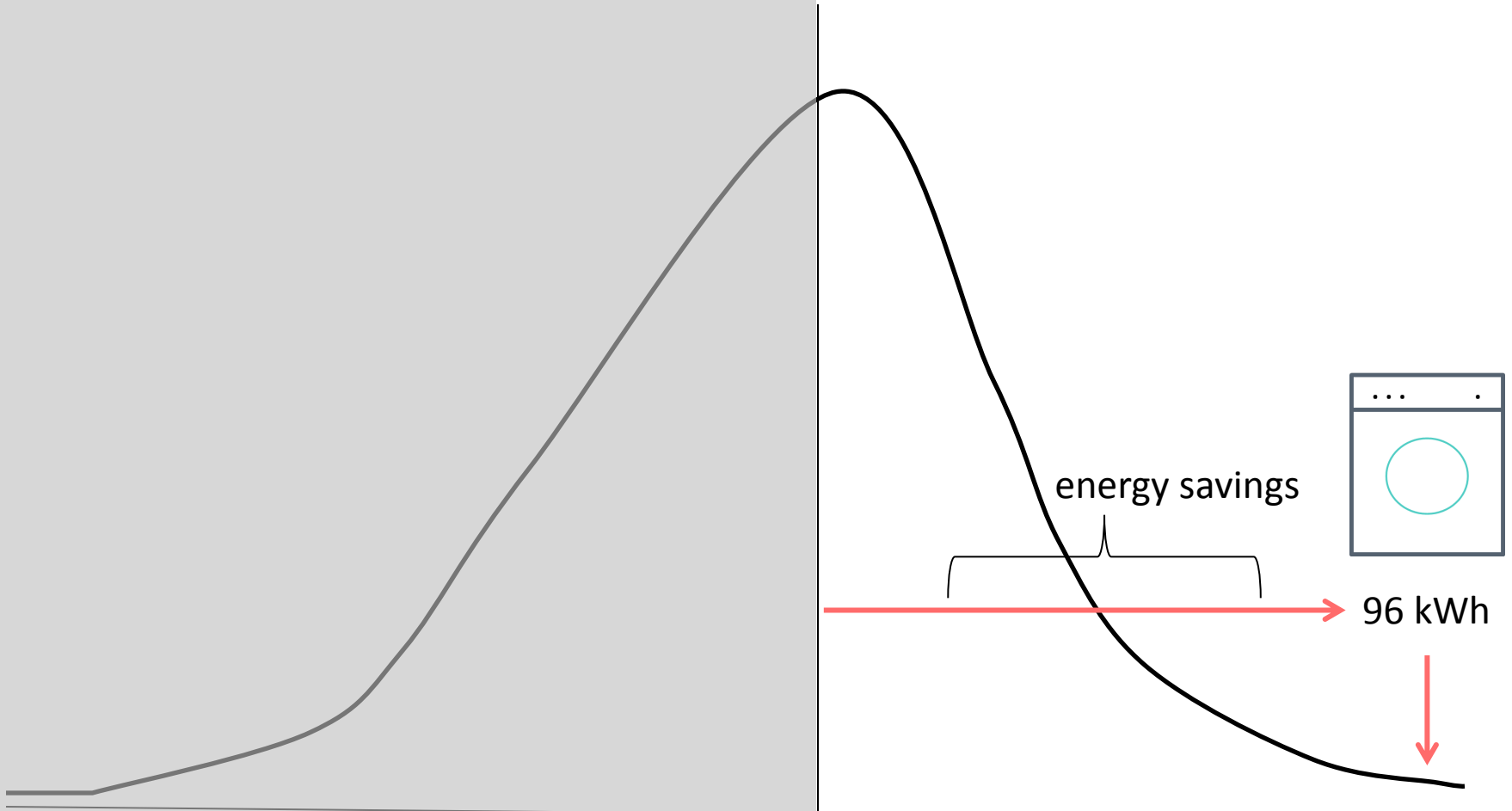
*lots*

*little*

kWh consumption per unit

# the market average

number of sales



*lots*

*little*

kWh consumption per unit

number of sales

149 kWh consumption

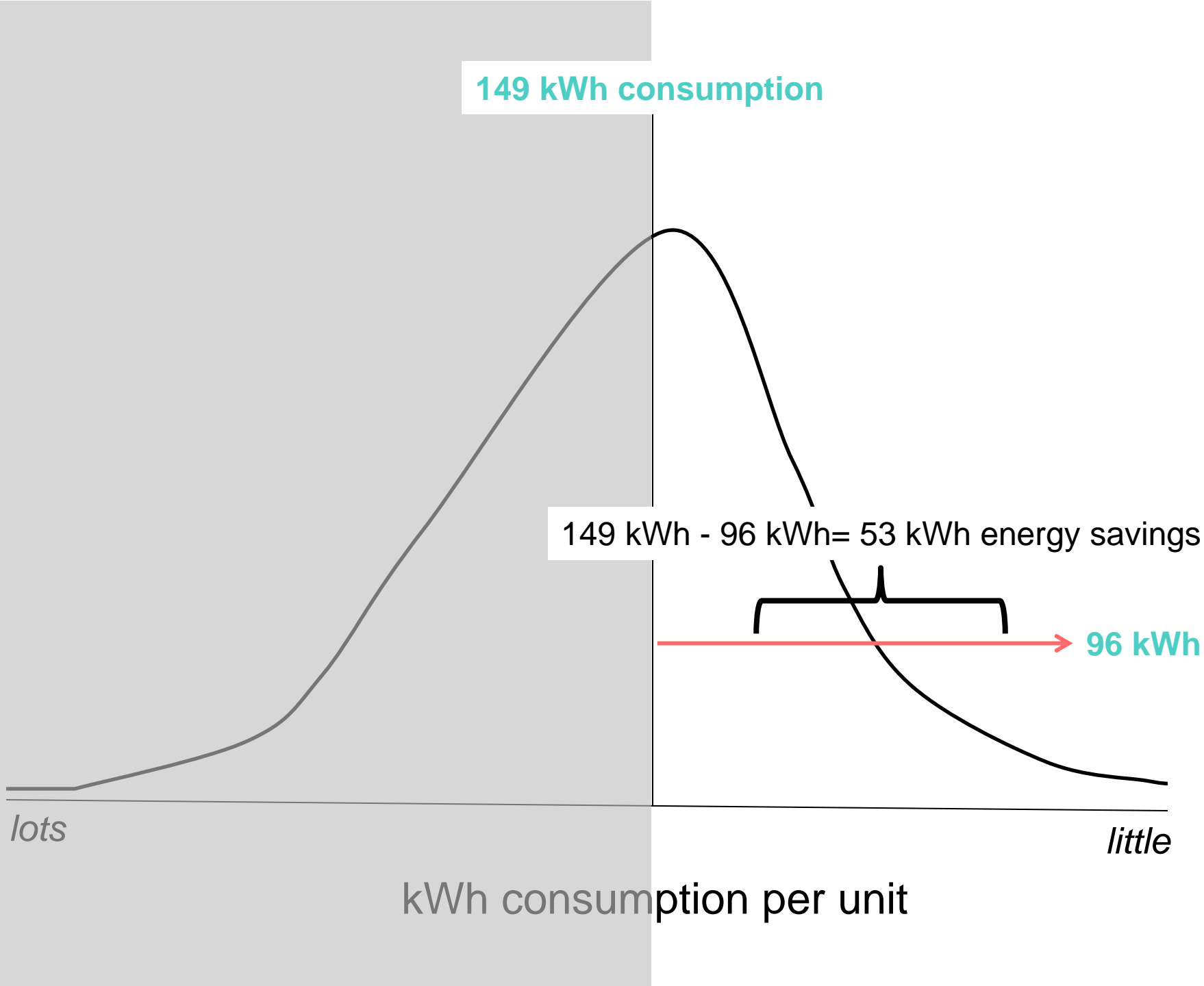
149 kWh - 96 kWh = 53 kWh energy savings

96 kWh

*lots*

*little*

kWh consumption per unit



## Underpinning philosophy:

1

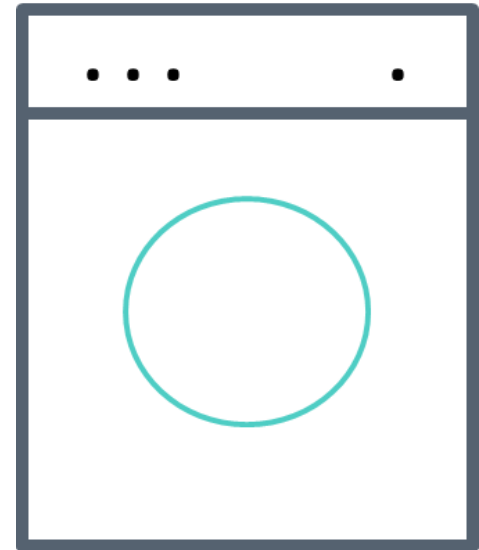
The average represents typical choices.

## Underpinning philosophy:

2

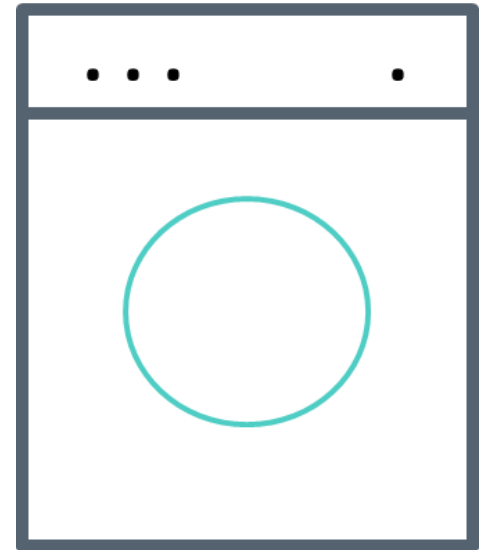
Energy savings are relative to what was going to happen

**In the absence of market data,  
we use proxies.**





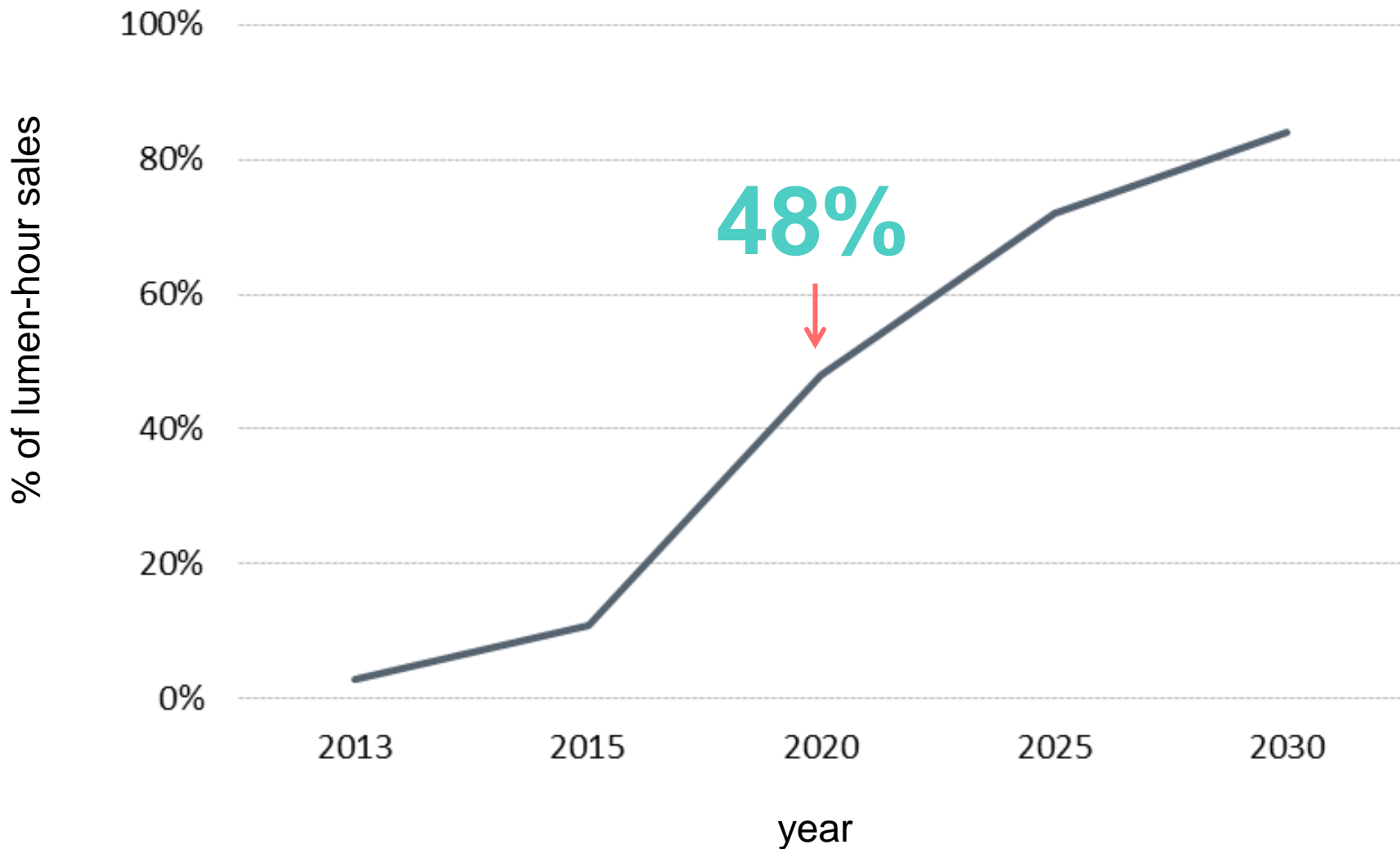
**Proxies like the CEC appliance database, which don't weight by sales.**



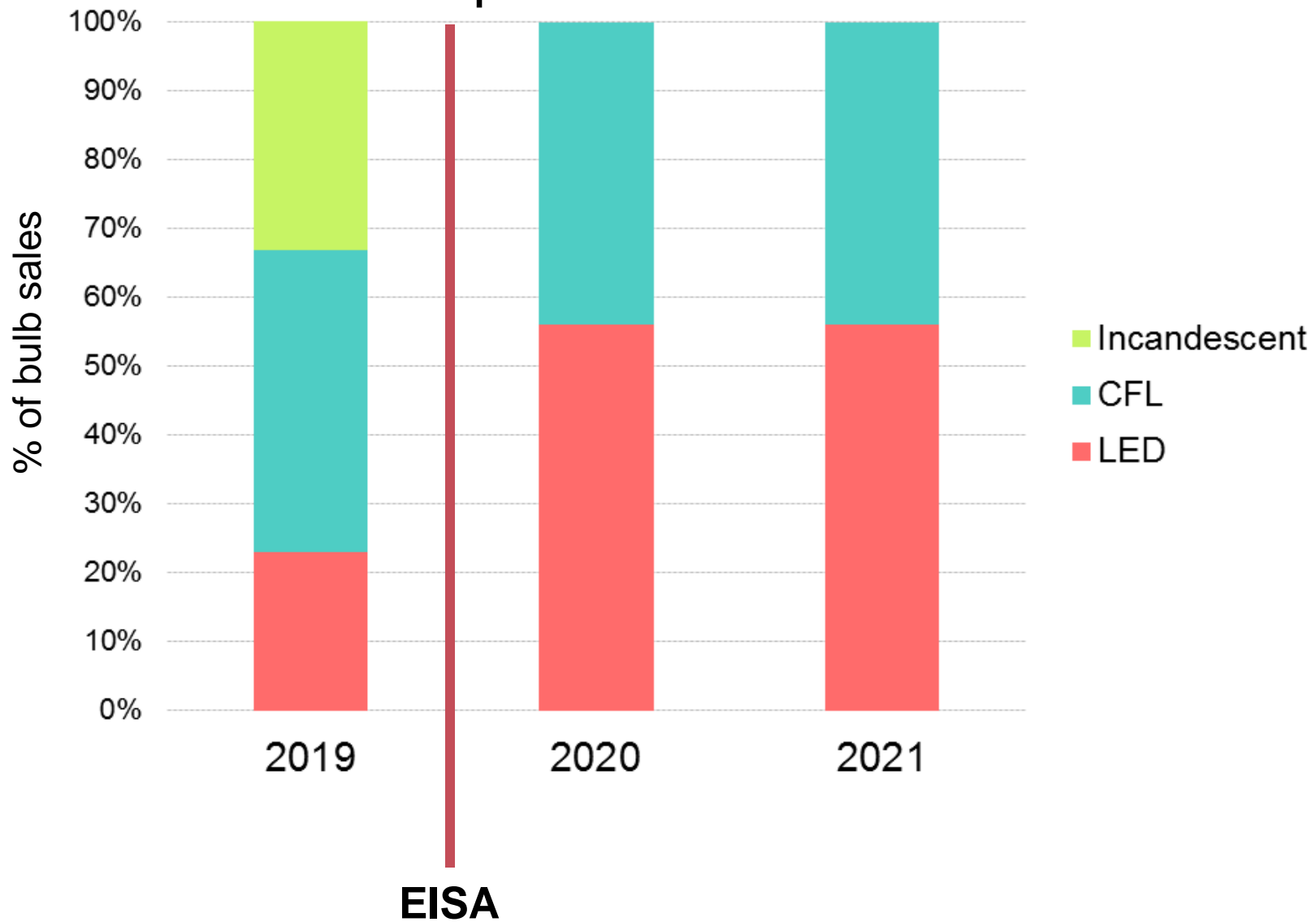


40% ↑


# Projected growth in LED sales, all sectors



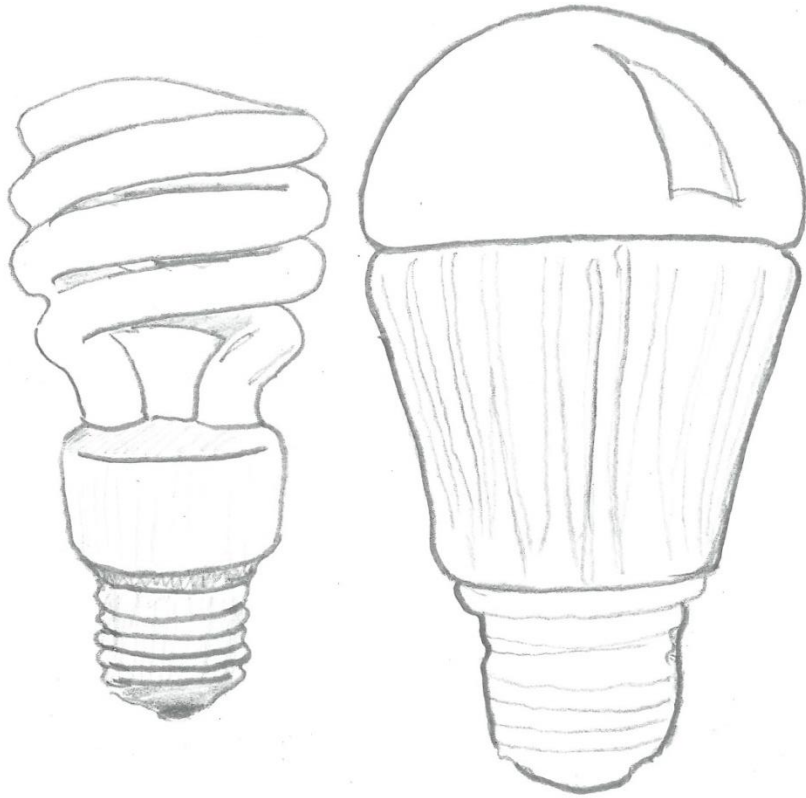
# EIA projection of share of residential lamp purchases to 2021



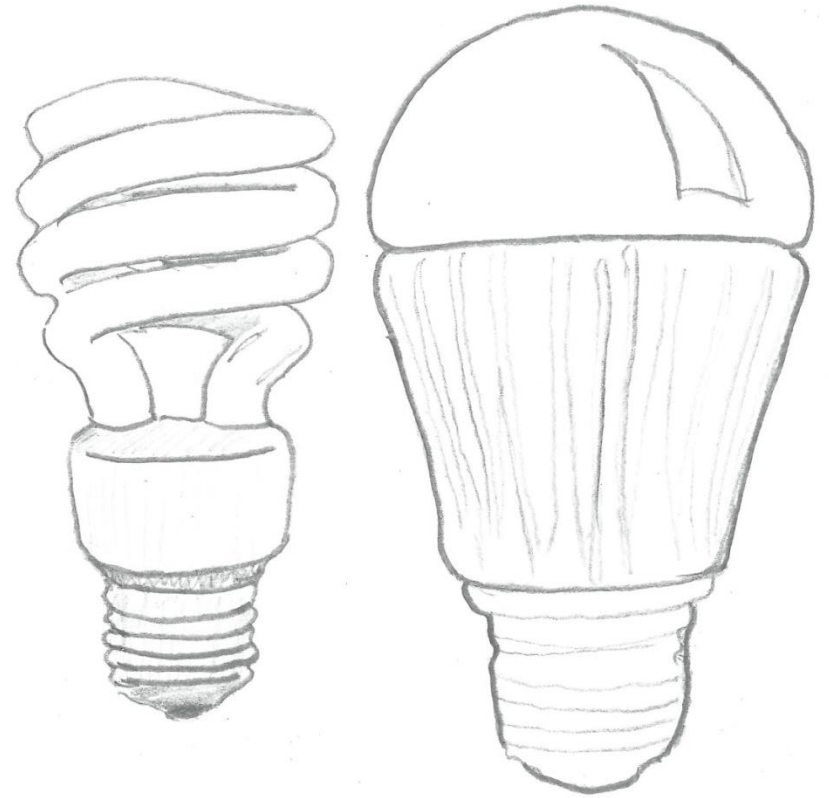
NEEA Net  
Market Effects  
&  
Momentum  
Savings

A close-up photograph of water with numerous small, concentric ripples. The water is a deep blue-grey color, and the ripples create a complex, textured pattern of light and dark areas. The lighting is soft, highlighting the curves of the ripples.

**Our investments ripple  
through the market**



**Incentivized**



**Not  
Incentivized**

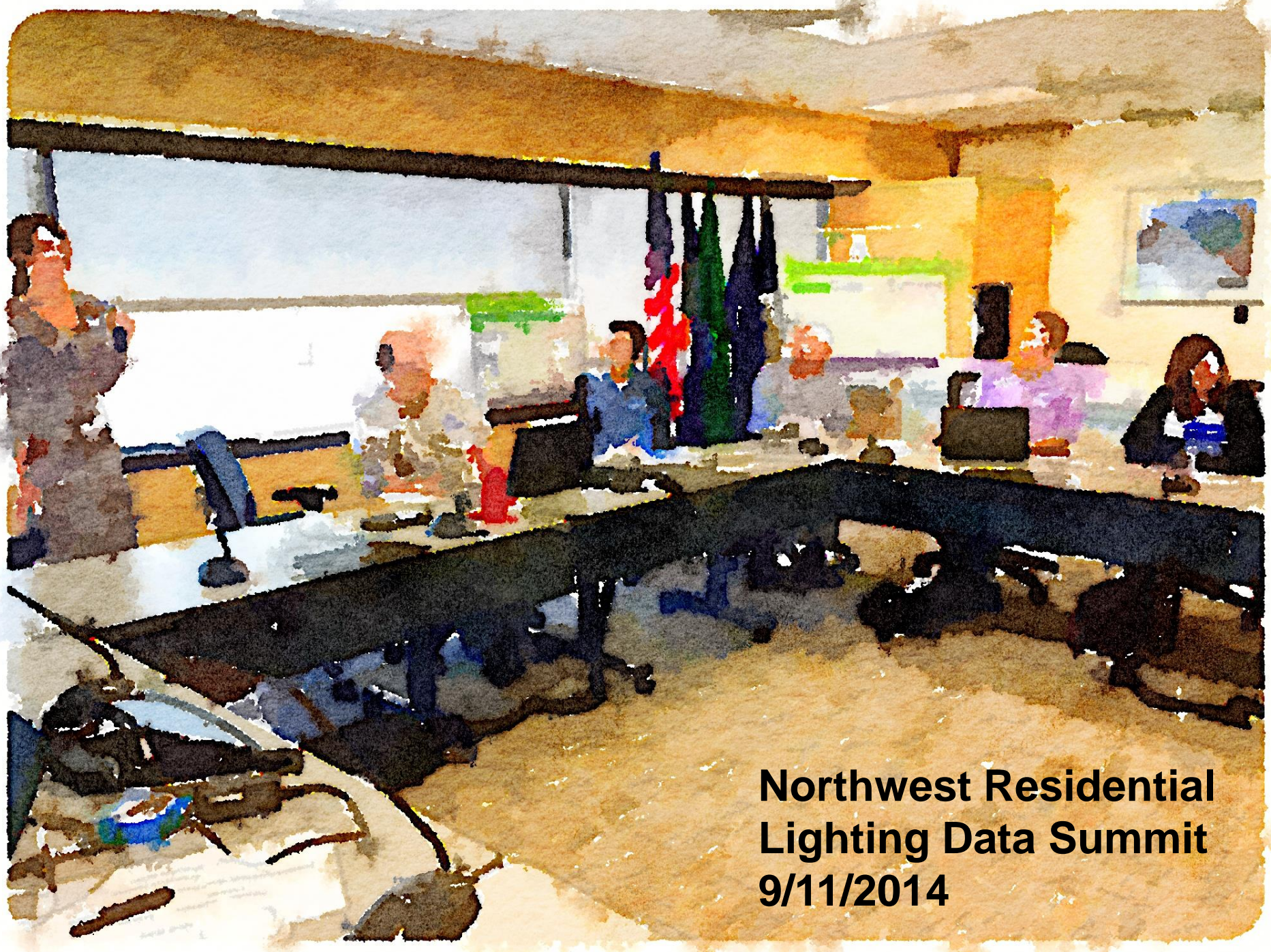
**Sales & Stock Data  
is used to determine  
Total Energy Savings**





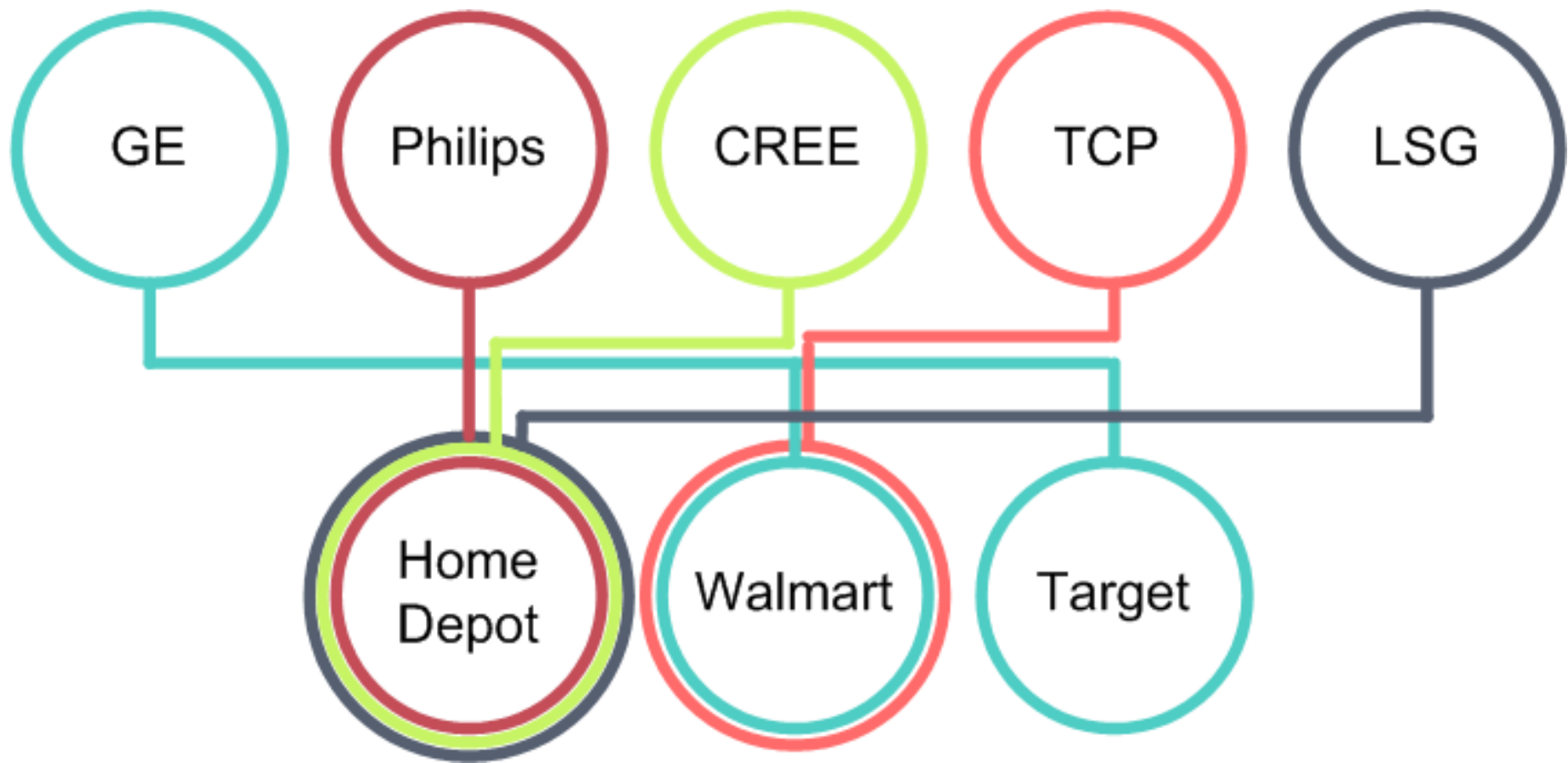
Increasing  
our coverage





**Northwest Residential  
Lighting Data Summit  
9/11/2014**





# Data security



- Anonymous
- Aggregated to market
- Not via 3<sup>rd</sup> party aggregator
- Word-of-mouth risk mitigated

### General Service

Lumen Bins	wattage equivalent	CFL	LED	Incandescent	Halogen
310-749	40 watts				
750-1049	60 watts				
1050-1489	75 watts				
1490-2600	100 watts				

### Specialty

Lamp Type	CFL	LED	Incandescent	Halogen
PAR				
RTYPE				
DECORATIVE (CANDELABRA/GLOBE)				

### Linear Lamps

T-8				
T-12				
T-5				
Linear LEDs				

### Lighting Controls

Residential Lighting Controls				
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Annual

by state



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