

# Utility Fulfillment Program Benefits Low-Income Residents

## 90K MWh Year Over Year Energy Reduction Generates \$4.98M Cost Savings

### Challenge

- No centralized order fulfillment process or set pricing resulting in high costs
- Material availability inconsistent; growth constrained
- Product compliance with state and program energy-efficiency standards
- Regulatory and stakeholder oversight
- Back-end capture/reporting of program costs and KPI metrics

### Solution

- Develop and maintain B2B e-commerce order management system providing intake, product catalog, delivery scheduling, payment, and reporting
- VMI model supported by global sourcing and negotiated volume pricing
- Manufacturer collaboration to ensure highest energy efficiency ratings met

### Benefits

- Saved customer \$4.98M in first 2 years
- 100% fill rate - backorders eliminated
- 1 day, complete order shipping
- 30%+ YOY growth in number of residences serviced by program
- Real-time visibility and reporting to regulators and stakeholders
- 35%+ annual diverse supplier spend



**To support a residential energy efficiency program aimed at low income households, a major U.S. utility turned to ALOM for a one-stop source to manage and fulfill specialized materials—delivered to the job site—quickly and cost-effectively.**

The Energy Savings Assistance program (ESA), designed to help income-qualified residents reduce energy use and improve comfort and safety, required the development and implementation of a turnkey material order fulfillment solution that encompassed product sourcing, storage, order processing, billing and delivery of over 200 specialized energy-efficient product SKUs.

Anonymized for confidentiality, this major U.S.-based gas and electric utility serves 5.5 million customers. The ESA program, funded by a state utility commission, provides regulatory oversight to assure administrators and suppliers meet mandated program performance objectives. This requires verifiable performance data and KPI reporting to utility and regulatory stakeholders.

In 2015, when the utility launched the ESA program, no centralized system was in place. Materials were purchased by installation contractors ad hoc, often from big box stores with inconsistent pricing, energy-efficiency ratings, and high delivery costs. This put program funding and compliance at risk.

Already a trusted service partner to the utility for more than a decade providing print, direct mail, and fulfillment services, ALOM was selected in 2016 as the sole material fulfillment supplier following an in depth multi stage bidding process.

*“ALOM understands our complex requirements. Their team seems to always be looking for ways to improve efficiency and service levels.”*

Program Manager,  
(Company name withheld due to NDA)

*“ALOM has consistently proven they’re the best partner for our most critical programs.”*

Program Manager (Company name withheld due to NDA)

**What set ALOM apart is its ability to:**

- Source, procure, and stock required volumes of specified program SKUs that include insulation, HVAC components, weatherproofing materials, ENERGY STAR® certified lighting and appliances, and water-saving devices
- Collaborate with manufacturers to ensure energy saving ratings on products meet or exceed requirements
- Provide a secure contractor-facing online portal for ordering, billing, delivery scheduling, and track-in-transit
- Pick and ship orders in under 24 hours, often on same day, with delivery to job site in under 48 hours
- Provide full back-end visibility and performance reporting to utility and regulatory oversight stakeholders

**Bottom line cost and environmental benefits**

By implementing a paperless, fully integrated order management platform, ALOM centralized product selection and order submission, ensured product availability, implemented contractor payments and delivery scheduling functions; all while saving nearly \$5 million on material and operational costs during the first two years of the program.

During this time, ALOM became the second largest distributor of LED bulbs in the state. The bulbs ALOM supplied to ESA qualified households reduced energy consumption by 90,000 MWh/year.

Because of it’s high-volume buying power, ALOM negotiated with a U.S. supplier to open distribution warehouses closer to ALOM fulfillment centers.

*“ALOM understands how to operate in a regulated environment. Their ability to reduce freight costs while streamlining fulfillment made a huge impact.”*

Senior Program Analyst  
(Company name withheld due to NDA)

**Value delivered – ESA program success**



**\$4.98M cost savings in first 2 years**

(ALOM selected for 2 multi-year contract extensions)



**30%+ YOY growth in number of residences serviced by program**

This action reduced freight transport mileage by 30% and generated an overall sustainability benefit of lowering vehicle emissions (CO2) by 100.76 metric tons. In addition, lead time to receive new inventory was reduced from 14 days to only two to three days.

**BI visibility facilitate control and compliance**

ALOM’s technological innovation extends to its business intelligence (BI) tools, which provide the utility customer with maximum visibility, traceability, and back-end stakeholder reporting for inventory, order fulfillment, and shipment metrics.

With this data, the company can monitor its supply chain operations and access key performance metrics in real-time and rapidly adjust to unpredictable, unexpected conditions.

**Looking ahead**

As energy-efficiency technologies evolve and state regulators expand program requirements, the utility is preparing to support a broader range of materials. ALOM continues to serve as a trusted execution partner, offering scalable sourcing, fulfillment, and compliance solutions that adapt to new products, contractor needs, and public policy goals. With its deep regulatory compliance expertise, ALOM is well-positioned to help the utility meet the next phase of energy equity and climate resilience.