



## Making the Case for ENERGY STAR



This portion of the presentation describes how ENERGY STAR helps you – whether selling or purchasing equipment. ENERGY STAR’s advantages range from energy and dollar savings to recognition opportunities.

The corresponding presentation – “Overview of ENERGY STAR Qualified Products & Savings Opportunities” provides an overview of the eligible products for the front and back of the house, along with estimated average annual and lifetime savings.

## What Is ENERGY STAR?



- Voluntary climate protection partnership with the U.S. Environmental Protection Agency (EPA)
- Strategic approach to energy management, promoting energy efficient products and practices
- Tools and resources to help save money and protect the environment
- Influential brand recognized by over 80 percent of Americans

ENERGY STAR is a voluntary partnership between EPA and industry organizations. EPA started ENERGY STAR in 1992 to reduce greenhouse gas emissions through greater energy efficiency.

Today, EPA works with over 17,000 organizations and the ENERGY STAR label can be found on over 60 different types of products, as well as new homes and commercial and industrial buildings.

## Why Should You and Your Customers Care About ENERGY STAR?



- ENERGY STAR equipment saves end-users energy, water, and money
- Energy efficiency is becoming more important in foodservice environments
- Designing to include ENERGY STAR:
  - Boosts end-users long-term bottom line
  - Demonstrates commitment to environment
  - Guards against rising energy rates
- ENERGY STAR qualified equipment has a lower total cost of ownership over time



EPA's ENERGY STAR program supports restaurant operators by helping quickly and easily identify more efficient equipment that maintains or improves performance. ENERGY STAR qualified equipment uses less energy and less water than standard equipment, helping operators save money and increase their bottom line.

## Making the Case for ENERGY STAR



- ENERGY STAR qualified CFS equipment can save significant amounts of money
  - See annual and lifetime savings figures
- Performance is maintained with higher efficiency
- High utility costs cut into restaurants' bottom line
  - Utility costs: 3 to 5% of sales\*
  - Average profit ~5%\*
  - Restaurateurs are taking notice of high energy costs
- Benchmarking restaurant energy use helps keep track of savings



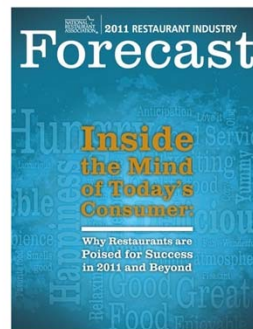
*\*Source: National Restaurant Association  
2009 Restaurant Industry Forecast*

ENERGY STAR Qualified CFS equipment helps protect the environment while lowering costs. For annual and lifetime savings figures, see the presentation section on product-specific benefits with ENERGY STAR.

## Restaurant Industry Trends



- Restaurant operators across all segments plan to devote more resources to green initiatives in 2011
- Roughly 40% of operators (from quick-service to fine dining) plan to purchase energy-saving kitchen equipment in 2011

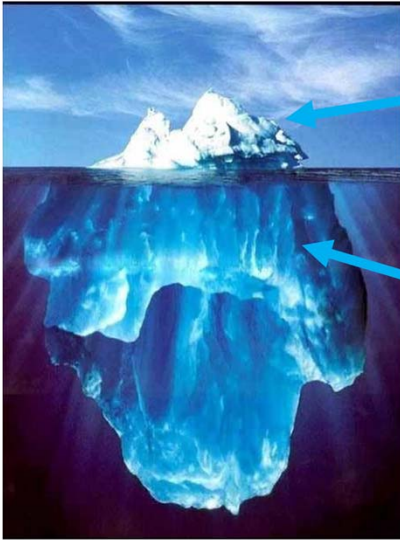


Source: National Restaurant Association  
*2011 Restaurant Industry Forecast*

The trend towards improving sustainability cuts across all restaurant segments – fine dining, casual dining, quick service restaurants are all planning to devote more resources to green initiatives.

A number of reports demonstrate increased consumer awareness and demand for sustainable business practices. In particular, NRA's 2011 Restaurant Industry Forecast shows that the demand for efficient equipment is increasing.


## Total Cost of Ownership




The diagram shows an iceberg floating in the ocean. The small tip of the iceberg is above the water line, and the much larger, submerged part is below the water line. Two blue arrows point from text labels to the iceberg. One arrow points to the tip, and the other points to the submerged part.

Acquisition costs of equipment

Maintenance and other ongoing costs of equipment (can be 2 to 20 times greater)

 *Source: PG&E Food Service Technology Center*



When comparing equipment, make sure to take into account installation, shipping, maintenance, labor, energy and water, repair costs, and disposal fees. The ENERGY STAR program works to achieve energy efficiency without sacrificing quality in performance.

Remember the acquisition cost of CFS equipment is only the tip of the iceberg in terms of total costs. Restaurateurs often look for the least expensive equipment option on the showroom floor and rarely consider the total cost of ownership of the equipment (which includes the purchase price and lifecycle costs like energy and maintenance). Better made equipment that saves energy and water and lasts longer compensates for initial differences in purchase price.

## Range of CFS Incentives Offered by Utilities



Product	Incentive Range
Dishwashers	\$50 – \$2,000
Fryers	\$66 – \$2,500
Griddles	\$125 – \$2,100
Hot food holding cabinets	\$110– \$650
Ice machines	\$18 – \$700
Ovens	\$115 – \$3,000
Refrigerators and freezers	\$25 – \$1,000
Steam cookers	\$40– \$2,000

Please note that utility programs can change. Please contact your utility to ensure the program is still in effect before purchasing your equipment.



Source: 2011 ENERGY STAR Commercial Food Service Incentive Guide

To help offset the initial cost of investing in energy-efficient equipment, many energy utilities across the country offer prescriptive incentives.

More than fifty utilities are featured in the 2011 edition of the ENERGY STAR CFS Incentive Guide (See: [www.energystar.gov/cfs/incentives](http://www.energystar.gov/cfs/incentives)), offering prescriptive incentives up to \$3,000 (utility and equipment dependent).

Utility incentive programs can change so please check with your local utilities to ensure a particular incentive is still available.

## Utility Incentives



- Contact your utility program administrator to:
  - Ensure that they continue to offer CFS incentives to customers
  - Ask whether they offer marketing and outreach materials, point of purchase materials, or trainings
  - See if they will develop custom incentives
  - Determine whether they have an education center with CFS testing facilities



Utilities in your state may also offer custom incentives, so contact your utility program administrator for more information. Dealers can provide more information about utility incentives and manufacturer's financing.

Be sure to contact your utility program administrator to ensure that the incentives are still in place. Programs and funding can change to any time so before making a recommendation or decision, be sure that the incentive you are factoring into your decision is still available.



## ENERGY STAR Recognition Opportunities



- ENERGY STAR Partner of the Year Awards
- ENERGY STAR Small Business Awards
- Special recognition



Go to: [www.energystar.gov/awards](http://www.energystar.gov/awards)



**ENERGY STAR Partner of the Year:** Organizations that join as an ENERGY STAR partner will be eligible to apply for the ENERGY STAR Partner of the Year award (see: [www.energystar.gov/awards](http://www.energystar.gov/awards)).

**ENERGY STAR Small Business Awards:** Members of the Small Business Network are eligible to apply for an award focused solely on small business network members (separate from Partner of the Year). See [www.energystar.gov/smallbiz](http://www.energystar.gov/smallbiz) (under "What You Can Do").

**Special Recognition Opportunities:** The Small Business Network recognizes organizations that support small businesses in their efforts to reduce energy in their operations. Larger restaurant organizations and commercial kitchens can earn special recognition by helping franchisees and other small businesses to become members of the network and reduce their energy intensity.

**Other:** The ENERGY STAR CFS team is looking into methods for developing a restaurant recognition program based on the use of ENERGY STAR qualified CFS equipment products in commercial kitchens. Send your suggestions to the ENERGY STAR Marketing team by e-mailing [commercialfoodservice@energystar.gov](mailto:commercialfoodservice@energystar.gov).

## Additional Recognition Opportunities



- Commercial kitchen & restaurant sustainability recognition programs are growing in popularity:
  - National Restaurant Association's Conserve Initiative
  - Food Service Warehouse *Certified Green Commercial Kitchen Program*
  - Green Seal GS-46
  - U.S. Green Building Council (USBGC) LEED programs
- Threshold for CFS equipment: ENERGY STAR



These recognition programs include the purchase and installation of ENERGY STAR qualified CFS equipment as part of their recognition criteria.

Additional benefits beyond energy, water, and dollar savings include recognition opportunities and other benefits (e.g., LEED certification, Green Seal, consumer and employee satisfaction).

## LEED Points with ENERGY STAR



- The U.S. Green Buildings Council (USGBC) LEED for Retail leverage ENERGY STAR
- ENERGY STAR can help earn credit
  - Water efficiency, energy and atmosphere, innovation and design
- Some prerequisite requirements include ENERGY STAR



Restaurants can earn LEED credits by installing ENERGY STAR equipment. In addition to LEED for Retail, other LEED ratings that leverage the ENERGY STAR program include New Construction, Existing Buildings: Operations & Maintenance, Commercial Interiors, Core & Shell and Schools.



## Overview of ENERGY STAR Qualified Products & Savings



This presentation section provides an overview of the eligible products for the front and back of the house, along with estimated average annual and lifetime savings.

## ENERGY STAR Guiding Principles



- ENERGY STAR label effectively differentiates products by labeling the most efficient products
- Other guiding principles:
  - Cost effective for the end user
  - Significant unit/national energy savings
  - Performance is maintained or enhanced
  - Efficiency performance is measured and verified with industry accepted test method
- Third-party certification procedures bolster the integrity of the program and ensure energy-efficient performance



ENERGY STAR differentiates the most efficient products in the market. In developing product specifications, EPA follows several guiding principles. These principles ensure that performance is maintained or enhanced with ENERGY STAR qualified products and that the products are cost-effective, offer significant energy savings nationwide, and that energy performance can be measured and verified by testing.

EPA protects the ENERGY STAR brand integrity via a multitude of efforts and safeguarding mechanisms such as third-party certification and verification processes.

## How Does ENERGY STAR Maintain Relevancy?



Specifications are updated in response to market changes:

- High market share
- Change in Federal minimum efficiency standards
- Availability, performance, or quality concerns
- Advancements in technology
- Changes in test procedures



EPA revisits ENERGY STAR product specifications to ensure continued relevance in the marketplace and to identify potential new savings opportunities. This review happens at least every 3 years but may happen sooner based on market conditions. The specification development process is transparent and offers manufacturers and other interested stakeholders several opportunities to engage throughout as is seen in the cycle diagram.

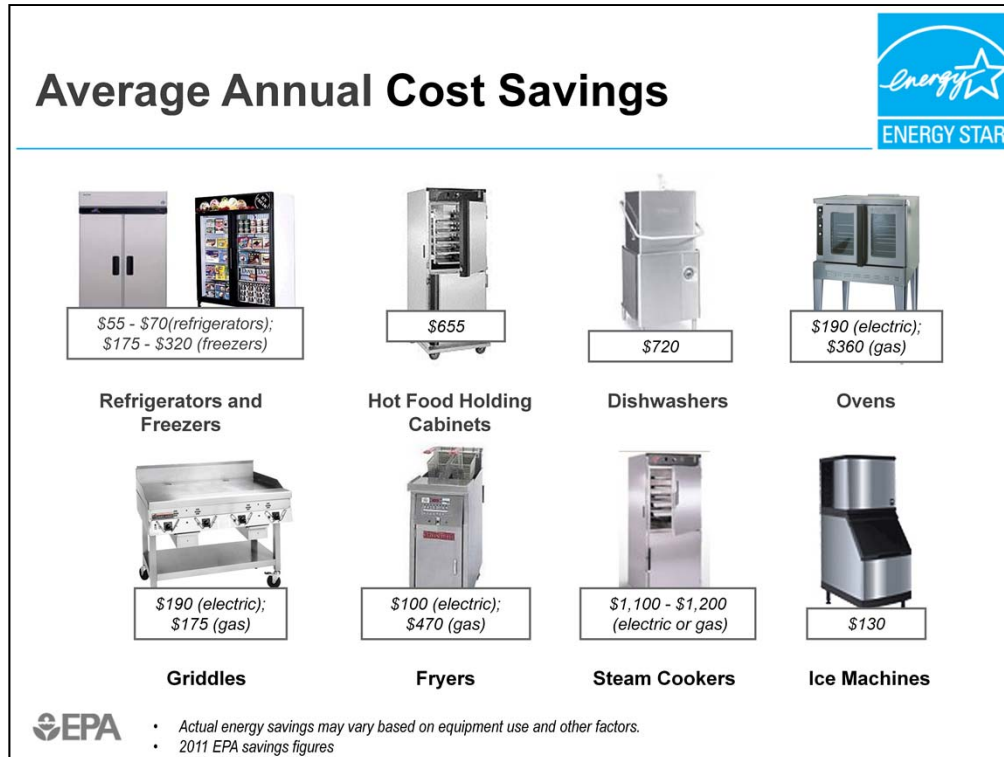
All documentation and comments are posted to the ENERGY STAR website as well. EPA also looks for new labeling opportunities and follows the same process when development new ENERGY STAR specifications. For complete product details and specifications, see [www.energystar.gov/cfs](http://www.energystar.gov/cfs).

For details on the current specifications under revision, see [www.energystar.gov/revisedspecs](http://www.energystar.gov/revisedspecs).



The ENERGY STAR program covers 8 commercial food service (CFS) product categories and continues to expand to cover wider scope of eligible products as EPA works to make energy efficiency in commercial kitchens a priority.

The ENERGY STAR program works to achieve energy efficiency without sacrificing quality in performance. In many cases, improvements in energy and water efficiency actually enhance performance and extend product lifetime while lowering operating costs. Whether you are planning a renovation, replacing equipment that has reached the end of its useful life or need an emergency replacement, save energy and water by selecting an ENERGY STAR qualified model.



Restaurants that invest strategically can cut utility costs 10 to 30 percent without sacrificing service, quality, style or comfort – while making significant contributions to a cleaner environment.

Outfitting an entire kitchen with a suite of ENERGY STAR qualified CFS equipment can save operators about 370 Million British thermal units per year (MBtu/yr), or the equivalent of more than \$3,300 per year.



## Average Lifetime Cost Savings



12 year life  
\$500 – 650 (refrigerators);  
\$1,650 – \$3,000 (freezers)

**Refrigerators and  
Freezers**



12 year life  
\$ 6,150

**Hot Food Holding  
Cabinets**



20 year life  
\$5,850 – \$9,750

**Dishwashers**



12 year life  
\$1,800 (electric);  
\$3,400 (gas)

**Ovens**



12 year life  
\$1,800 (electric);  
\$1,650 (gas)

**Griddles**



12 year life  
\$950 (electric);  
\$4,400 (gas)

**Fryers**



12 year life  
\$10,350 (electric);  
\$11,500 (gas)

**Steam Cookers**



8 year life  
\$900

**Ice Machines**



- Actual energy savings may vary based on equipment use and other factors.
- Lifecycle cost savings based on a 4% discount rate

The average lifetime figures are typically based on a 12-year lifetime (however dishwashers and ice machines vary as stated). Lifecycle savings are based on a 4% discount rate.

## Additional Benefits of ENERGY STAR Qualified Equipment



- ENERGY STAR qualified products are constructed using innovative and energy-efficient technologies that offer other benefits such as:
  - Shorter cook times
  - Improved production rates
  - Reduced load on the HVAC system (from heat loss)
  - Improved recovery times
  - Lower maintenance costs
  - Reduced noise levels



In addition to reductions in energy and water consumption, end users also experience other performance benefits due to ENERGY STAR qualified equipment, from shorter cook times and improved recovery times to higher production rates. Efforts to reduce energy at the equipment level often lead to greater savings and comfort in the kitchen. For example, improved equipment insulation helps to retain heat needed to cook and warm the food but also reduces the burden on the overall HVAC system to keep the kitchen cool and also makes for a more comfortable work environment.

## Beyond the Kitchen: Opportunities for Additional Savings



HVAC Equipment



Televisions



Printers



CFLs and Fixtures



Ceiling Fans



Computers and Displays



The ENERGY STAR label now appears across more than 60 product areas. ENERGY STAR qualified products are great options to save energy outside of the kitchen as well, from lighting and electronics (e.g., televisions and computers) to HVAC equipment.



## Program Questions?

E-mail: [commercialfoodservice@energystar.gov](mailto:commercialfoodservice@energystar.gov)



Learn more at [energystar.gov](http://energystar.gov)