



ENERGY STAR Appliance Market Update

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Agenda



- Awareness and Influence
- Appliance Federal Standards and ENERGY STAR criteria
- ENERGY STAR Sales Data Collection

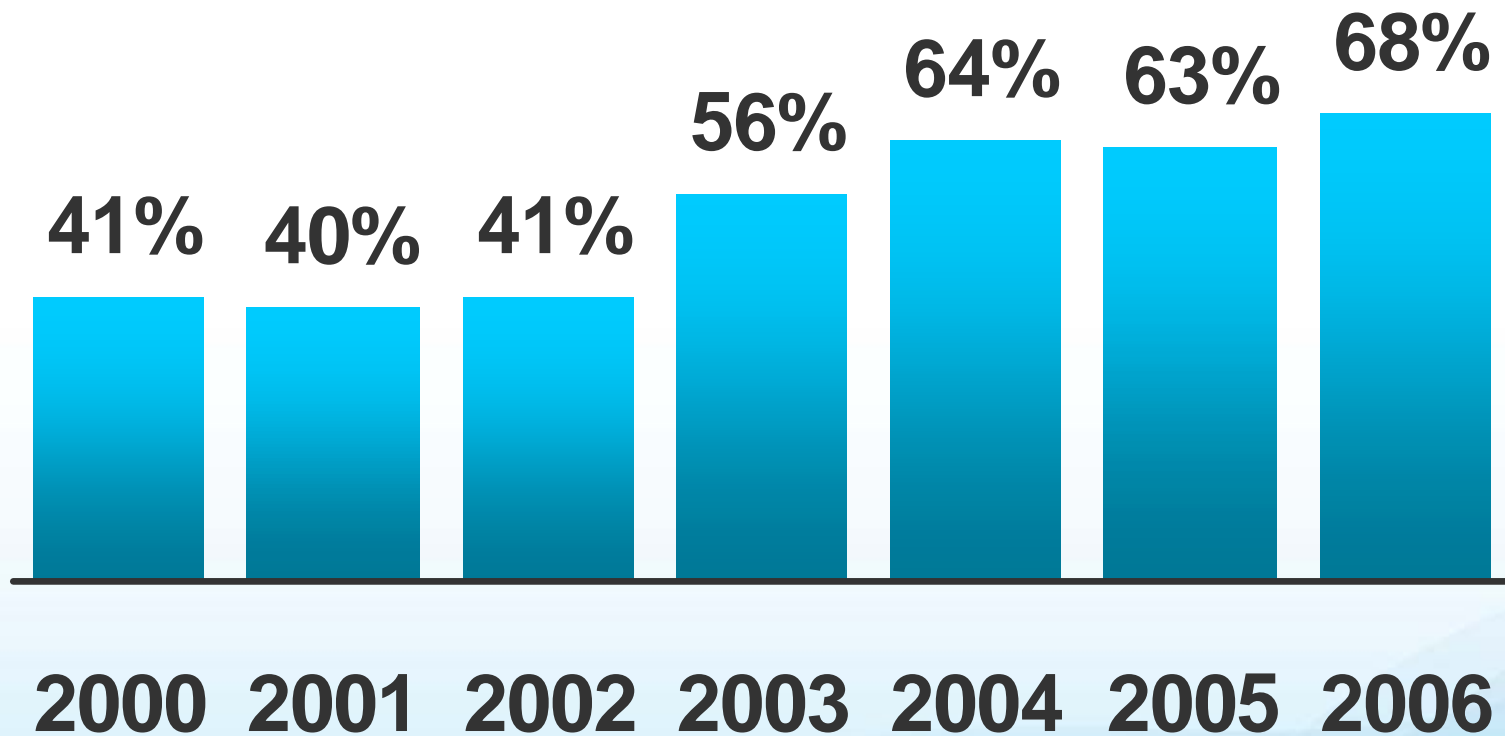


Awareness and Influence

Consumers Recognize the ENERGY STAR Logo



Aided Recognition of ENERGY STAR Label



ENERGY STAR Awareness

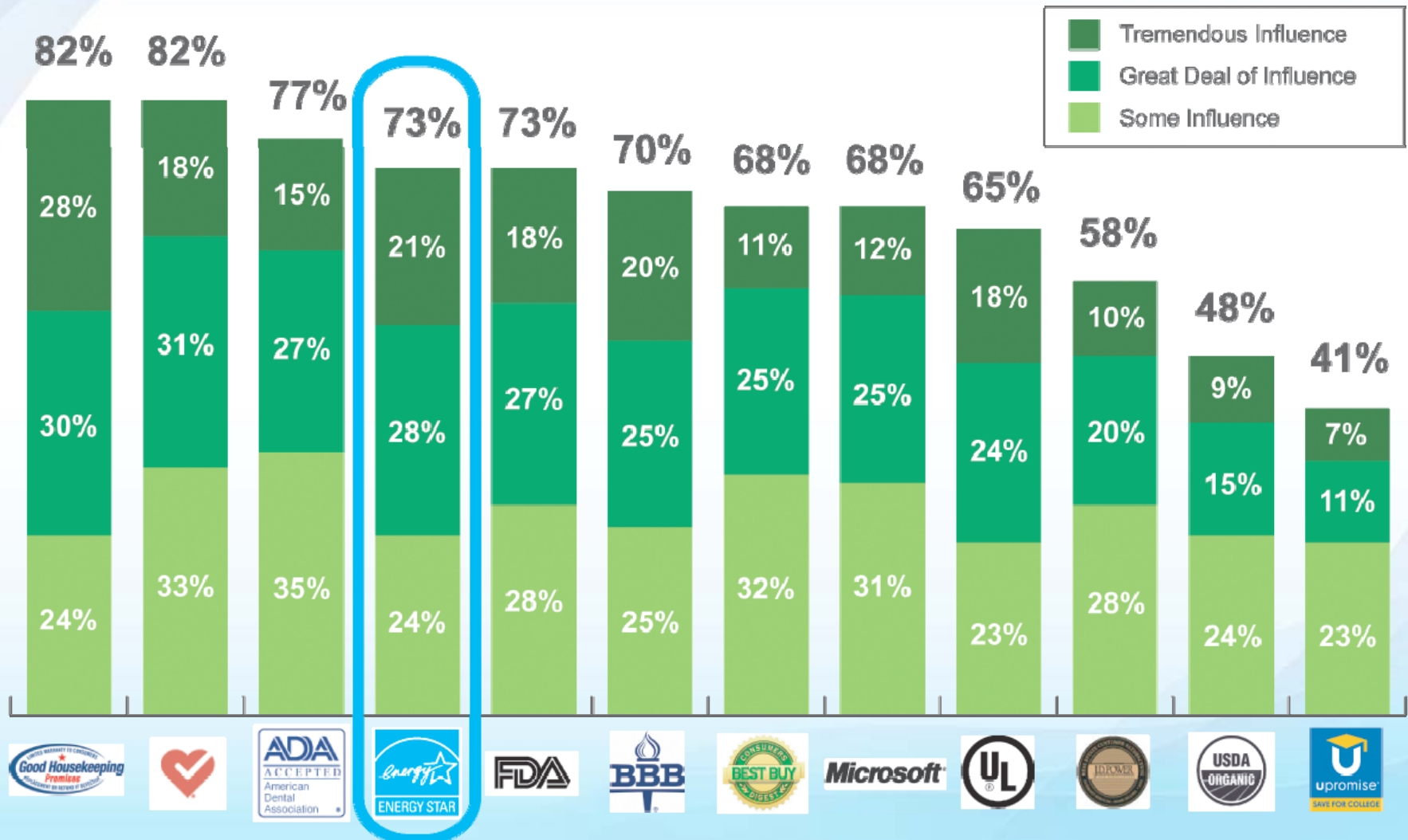


Based on the 2006 CEE Household Survey:

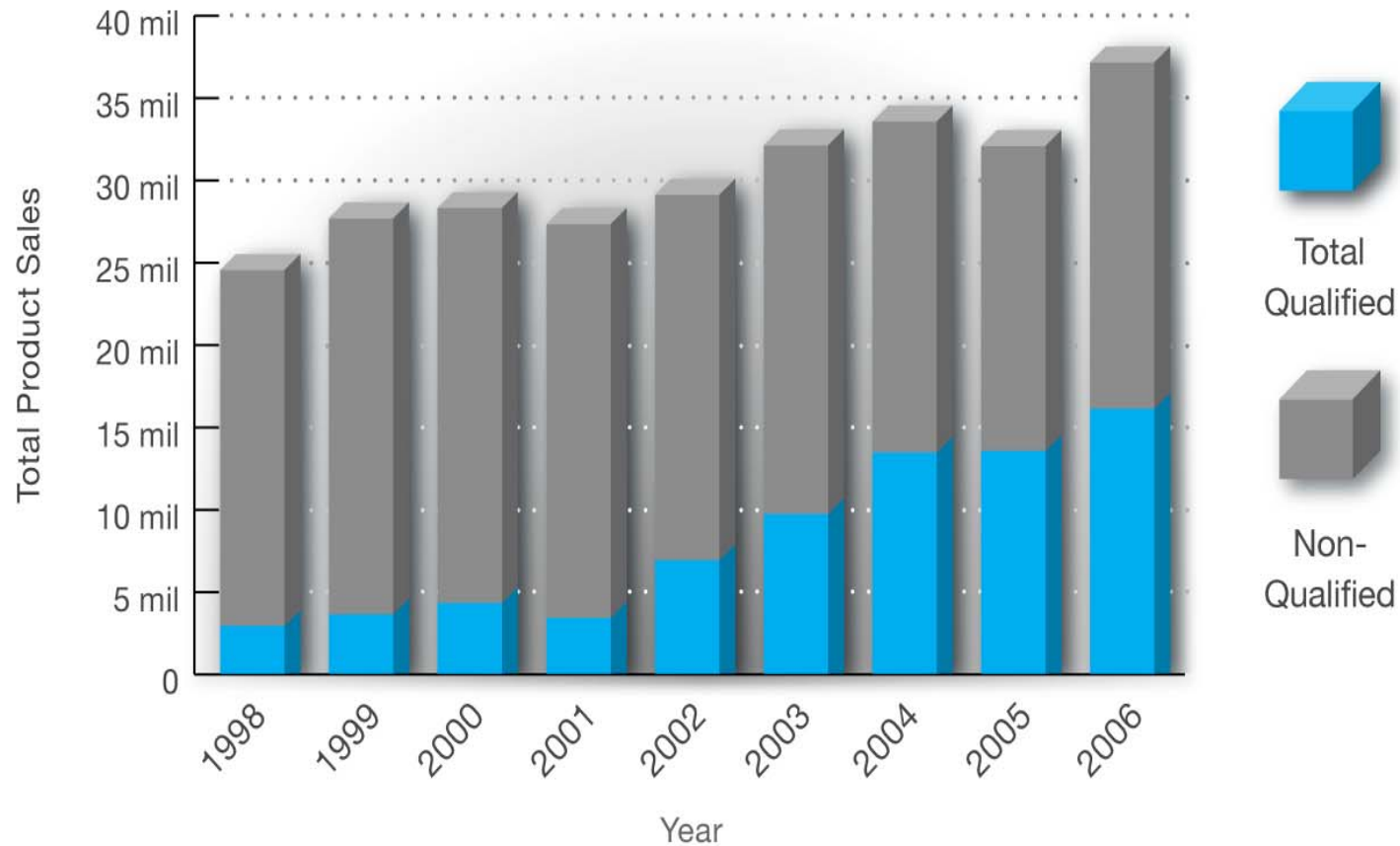
- Approximately 51% of households can identify the ENERGY STAR mark (unaided)
- Products most associated with ENERGY STAR are:
 - Refrigerators: 74%
 - Clothes washers: 63%
 - Dishwashers: 58%
 - Central AC 45%
 - Room AC: 43%

However, An Interesting Fact: 34% of households associated microwave ovens with ENERGY STAR, which do not in fact have an ENERGY STAR criteria.

ENERGY STAR Influences Purchasing Decisions



ENERGY STAR Appliances Sell!



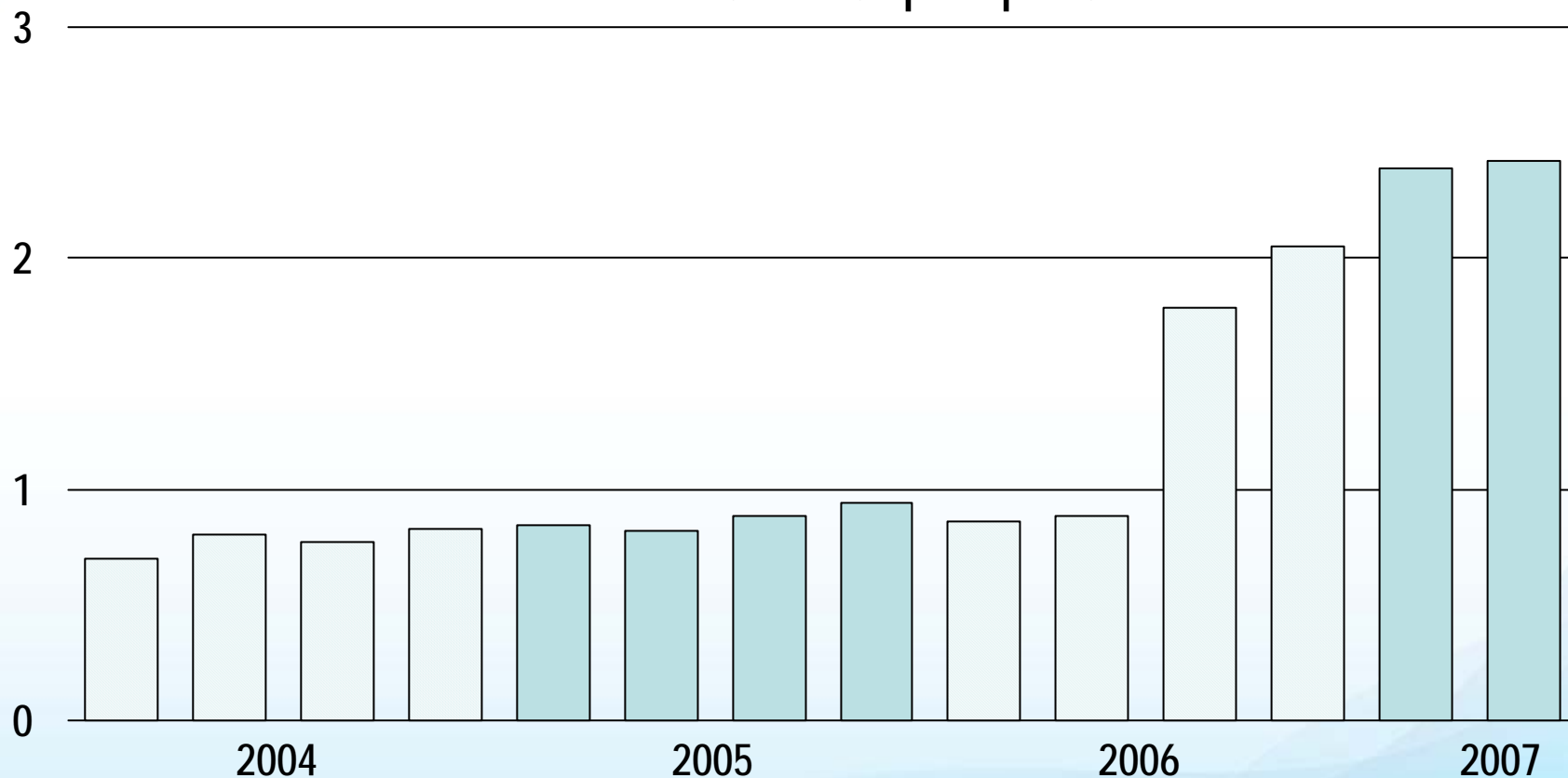


Web stats

Energystar.gov attracting more visitors



Millions of site visits per quarter



Most-requested Web pages on www.energystar.gov



Rank	Page Name	Rank	Page Name
1	ENERGY STAR Home Page	11	Refrigerators & Freezers
2	Federal Tax Credits for Energy Efficiency	12	Room Air Conditioners
3	Find a Product (Products landing page)	13	Central Air Conditioners
4	Email this page to a friend	14	Home Improvement
5	ENERGY STAR at Home Pop-Up Tool	15	Clothes Washers
6	Compact Fluorescent Light Bulbs	16	Ref. Retirement Savings Calculator
7	Portfolio Manager: View Building Info	17	Change a Light: Take the Pledge
8	Heat & Cool Efficiently	18	Ceiling Fans
9	Rebate Finder	19	Portfolio Manager: View My Portfolio
10	Appliances	20	Light Bulbs and Fixtures

Main pages for appliances attracting increased attention



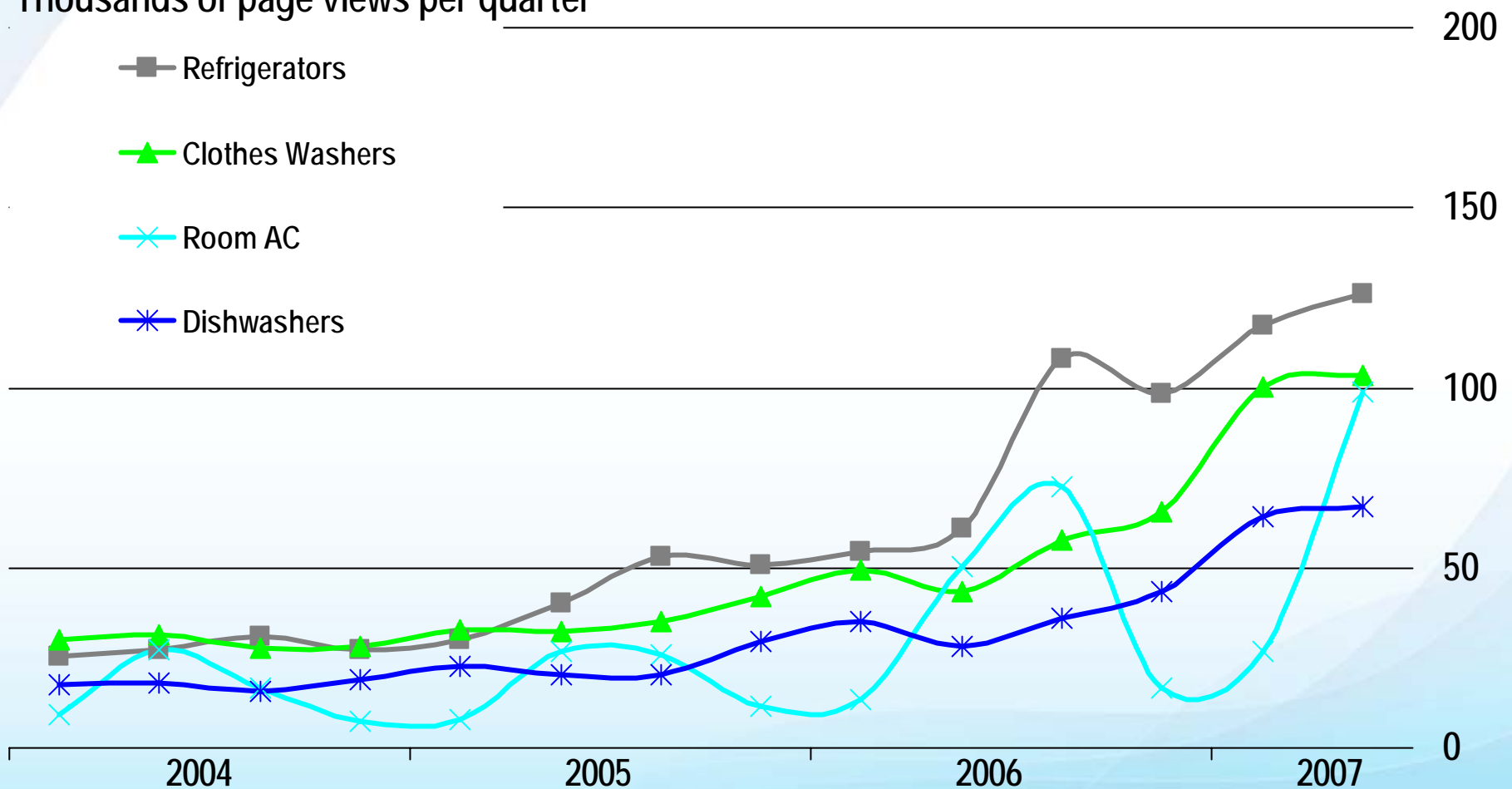
Thousands of page views per quarter

■ Refrigerators

▲ Clothes Washers

✕ Room AC

✱ Dishwashers





Appliance Federal Standards and ENERGY STAR Criteria

Federal Standards and Background



- The Department of Energy (DOE) establishes Federal standards to keep consistent, national energy efficiency requirements for selected appliances and equipment.
- By law, DOE must upgrade Federal standards to the maximum level of energy efficiency that is technically feasible and economically justified.
- DOE strives to establish standards that maximize consumer benefits and minimize negative impacts on manufacturers and others.

Federal Standards Activities



Product Category	Final Action Date
Packaged Terminal Air Conditioners	September 2008
Dishwashers	March 2009
Commercial Clothes Washers	March 2009
Residential Water Heaters	March 2010
Room Air Conditioners	June 2011
Clothes Dryers	June 2011

Guiding Principles for Criteria Development & Revisions



- Significant energy savings
- No impact on product performance
- ENERGY STAR qualified product is cost effective
- Several technology options can achieve criteria setting (one of which is non-proprietary)
- Energy consumption can be quantified
- Label differentiates products and is visible to purchasers

Clothes Washers



- New criteria took effect January 1, 2007. Currently, no 2007 sales data is available to analyze the effects.
- EPCA 2005 requires DOE to release updated criteria by January 1, 2008 effective January 1, 2010.
- An analysis paper and proposed criteria will be released in October for stakeholder comment.
- The Association of Home Appliance Manufacturers (AHAM) and a group of efficiency advocates reached a consensus recommendation (1.8 MEF/7.5 VWF) effective July 1, 2009, which DOE will evaluate.

Dishwashers



- New criteria took effect January 1, 2007.
- Preliminary indications show the market share for ENERGY STAR models may be higher than desired.
- DOE will determine if another criteria revision is warranted by reviewing:
 - 2007 Federal Trade Commission (FTC) Annual Submissions
 - 2007 ENERGY STAR retailer sales data
- AHAM/Advocate agreement recommended new criteria (324 kWh/yr, 5.8 gal/cycle) effective January 1, 2009.

Refrigerators



- Revised criterion to 20% more efficient than the Federal standard effective April 28, 2008.
- Change only applies to full-size refrigerators. The criteria for compacts (20% better) and freezers (10% better) remain the same.
- Added anti-circumvention language to testing requirements solely for ENERGY STAR.

Refrigerators



- Any product manufactured after April 28, 2008 must meet the new criteria efficiency levels to be designated as ENERGY STAR.
- Any product manufactured prior to April 28, 2008 may be labeled as ENERGY STAR at the factory and on the EnergyGuide label if the product meets the current or the April 28, 2008 ENERGY STAR criteria.
- Retailers will only be permitted to promote previously qualified products as ENERGY STAR until July 28, 2008.
 - After July 28, 2008 old products may still be sold, but they cannot be designated as ENERGY STAR qualified by the retailer.

Refrigerator Transition



- On April 28, 2008, the ENERGY STAR qualified refrigerator product lists and searches will be changed to only show available products that meet the new criteria.
- Explanatory text will be placed above the product lists and searches to provide details on the new criteria requirements and to state that some previously qualified products may be still available for sale at retail.
- Lists to identify products that met the old criteria and no longer qualify as ENERGY STAR will be posted on the product and appliance partner resources pages.

Packaged Terminal Air Conditioners (PTACs)



- DOE will complete program requirements for PTACs in two weeks.

Packaged Terminal Air Conditioners (PTACs)



- DOE completed analysis paper and draft criteria and met with industry in May 2007.
- Industry indicated it would rather wait due to the forthcoming Federal standard, which will be finalized in September 2008, and develop engineering analyses of the mandated change in refrigerant to R-410a, due to take effect in 2009.

Room Air Conditioners (RACs)



- DOE contacted all RAC manufacturers and AHAM in the month of July.
- Combining a new ENERGY STAR criteria with upcoming Federal standard changes and a required refrigerant change-out would place a major burden on manufacturers.
- Later this year, DOE will release an analysis paper summarizing the state of the market, but the next criteria will probably not take effect until at least 2011.
- As with PTACs, no criteria changes are expected to take effect until the standard and refrigerant change-out are completed.

Residential Water Heaters



- DOE distributed draft criteria and collected comments on potential ENERGY STAR criteria for the following water heater technologies:
 - Solar
 - Heat pump
 - Gas condensing
 - Advanced non-condensing gas
 - Gas tankless
- DOE expects to release updated criteria next week, with the new comment period ending November 2, 2007.
- Final criteria expected by January 1, 2008 with an effective date of September 1, 2008.

Advanced Technologies/Clean Power



- DOE is examining four clean power technologies: Photovoltaic (PV), Small Wind, Combined Heat and Power, and Stationary Fuel Cells.
- A workshop was held in April in Washington, DC and an International Coordination meeting will be held in Washington, DC on October 18th and 19th.
- Discussions will be held on whether ENERGY STAR is the best program to increase the market for these technologies.
- Background analysis papers will be completed and distributed in the next year starting with PV in December.

2007 Energy Bill

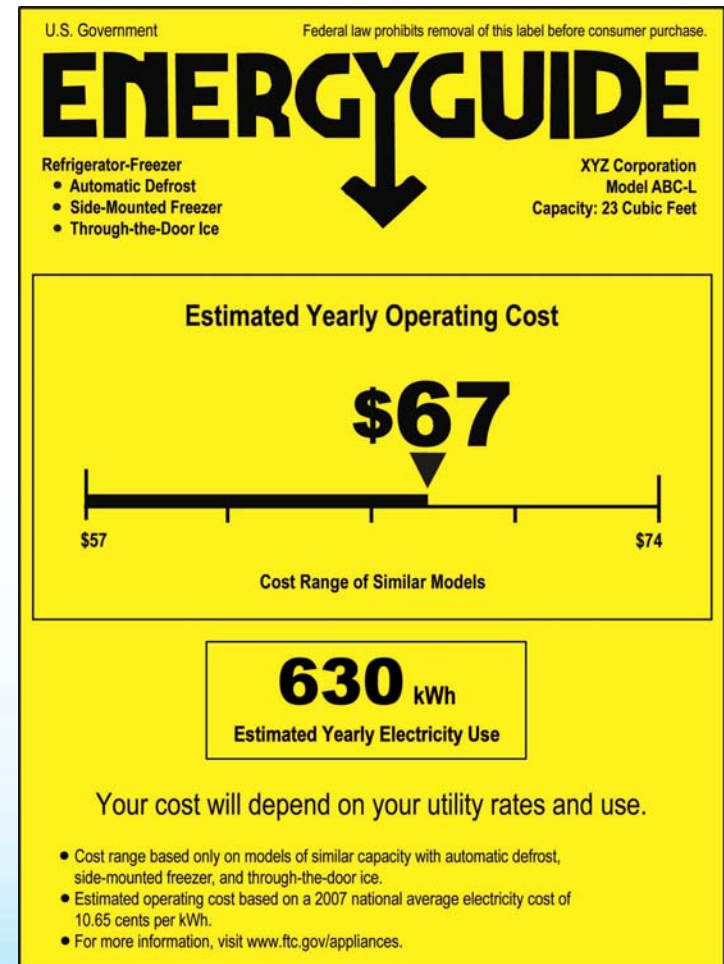


- Both the House and Senate passed energy bills over the summer
 - Both versions have CW and DW Standards
 - CWs: MEF ≥ 1.26 , WF ≤ 9.5 , begins 1/1/11
 - DOE must set 2015 standards by the end of 2011
 - DWs: Standard – kWh/yr ≤ 355 , gal/cycle ≤ 6.5
 - Compact – kWh/yr ≤ 260 , gal/cycle ≤ 4.5
 - DOE must set 2018 standard by the end of 2014
 - Conference Committee expected this Fall
 - Veto is possible if final bill contains a Renewable Portfolio Standard (RPS) or increased CAFÉ standards.

EnergyGuide Label Update



- The Federal Trade Commission (FTC) recently revised the EnergyGuide label design.
- Changed to make operating cost the main descriptor instead of energy use.
- Will take effect 2/29/08.
- ENERGY STAR logo must be placed in lower right corner of qualified products.





ENERGY STAR Sales Data Collection

Importance of ENERGY STAR Market Share Data



- Provides one of the few quantifiable metrics to gauge the success of ENERGY STAR programs.
- Key benchmark to determine the success of the ENERGY STAR program over time.
- Indicator of the success of regional programs and promotions.
- Tangible proof of the cost effectiveness of public funds programs for regulators and policymakers.
- Evidence for manufacturers and retailers of the progress and success of energy-efficient product penetration.

Appliance Sales Data Collection Process

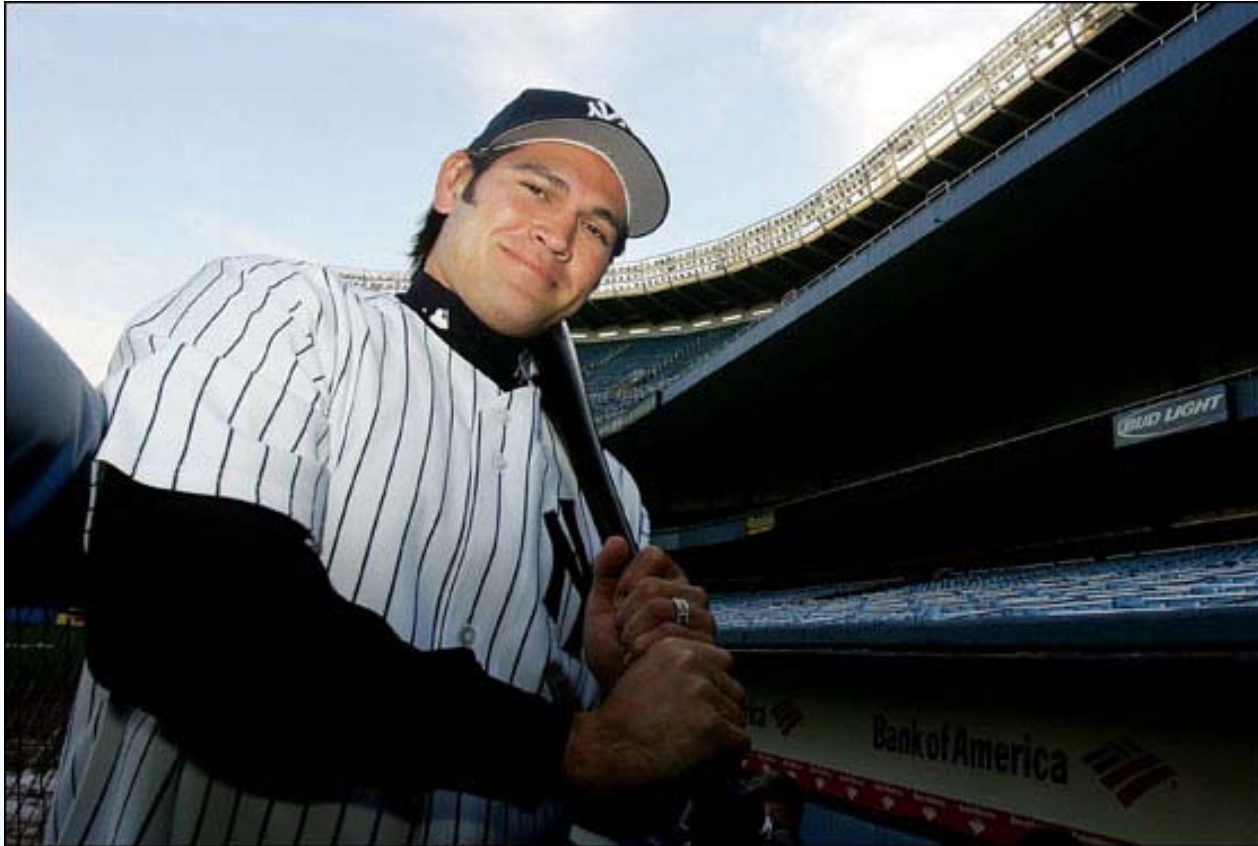


1. Ideally ENERGY STAR Sales Data is submitted quarterly. Due to problems updating the criteria for clothes washers and dishwashers in retailer data submissions, the latest data currently available is 2006.
2. Retailers submit the total sales and the ENERGY STAR sales by store or by state.
3. D&R has confidentiality agreements with the retailers that prohibit the release of any retailer data that is not aggregated.
4. Once D&R receives enough data, it aggregates the sales data and releases a data report by state, region, quarter, and appliance type.
5. Specific reports are available on request for states and utility territories provided that the data is still aggregated.

Status of 2007 Sales Data



- Only one participating retailer did account for the new clothes washer and dishwasher criteria in their 2007 Quarter One submissions.
- D&R is working with the retailers to acquire corrected Quarter One data and full data for Quarter Two.
- Early indications show a slight dip in clothes washer market share and a less than expected dip in dishwasher market share.



Johnny says, “We’re ready.”

Contact Information



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