



National Lighting Partner Meeting
April 4-6, 2005

**Succeeding With New Construction
Lighting**

What is the ENERGY STAR Advanced Lighting Package (ALP)?



- **The ALP is...**
 - A marketing platform and upgrade option that features advanced residential light fixture technology that has earned the ENERGY STAR



ENERGY STAR ALP



<i>Category</i>	<i>% ENERGY STAR Fixtures</i>
<u>High-Use Rooms</u> Kitchen, Dining Room, Living Room, Family Room, Bathrooms, Halls, Stairways	50%
<u>Medium-Use Rooms</u> Bedrooms, Den, Office, Basement, Laundry Room, Garage, Closets, and all other rooms	25%
<u>Outdoor Lighting</u> Affixed to Home, Free-standing Poles excluding landscape and solar lighting	50%
<u>Ceiling Fans</u> [Where Provided]	100%

Benefits of the ALP



- **Feature advanced technology**
- **Addresses high use areas**
- **Allows flexibility in the use of qualified fixtures per room**
- **Increase revenues, lower costs**
- **Improve model homes**
 - Lower operating costs
 - Cooler
 - Less maintenance



ALP Case Studies: Successes



- Developed 5 ALP case studies:
 - Illustrate success of builders nationwide, that offer the ALP
 - Available at ENERGY STAR web site: www.energystar.gov

**CHANGE FOR THE BETTER WITH ENERGY STAR**

Products that earn the ENERGY STAR® prevent greenhouse gas emissions by meeting strict energy efficiency guidelines set by the U.S. Environmental Protection Agency and the U.S. Department of Energy. www.energystar.gov

D.R. Horton Stays Ahead of the Competition with ENERGY STAR® – An ENERGY STAR Advanced Lighting Project

For D.R. Horton, entering the extremely competitive Sacramento, California market was challenging at first. But D.R. Horton quickly created a simple strategy for success: distinguish themselves from the competition by building the most energy efficient homes in the area. Rich Coyle, the division purchasing director, accomplished this by partnering with ENERGY STAR to include value added features like the ENERGY STAR Advanced Lighting Package (ALP).

D.R. Horton was able to quickly attract interested home buyers to its newest development, Sierra Valley Oaks, by offering new home buyers an "environmentally friendly" package including the ENERGY STAR ALP. Rich comments that buyers "immediately recognize ENERGY STAR," and choose D.R. Horton homes for their ENERGY STAR features that lead to both energy savings and environmental protection. D.R. Horton

"Using the Advanced Lighting Package is the right thing to do for our customers, the environment, and our business."
—Rich Coyle, D.R. Horton Sacramento, CA Division

promotes the ENERGY STAR Advanced Lighting Package because of increased profitability, quick home sales, environmental protection, staying ahead of the competition, and high quality products.

The Bottom Line Advantage

For Rich, the ENERGY STAR Advanced Lighting Package, a standard feature in all homes built in the Sierra Valley Oaks development, has definitely had a positive effect on the sales of the Sierra Valley Oaks community. Within three weeks of opening the model homes, 100 percent of the phase-one houses were sold. In the second month, all phase two homes also sold pre-construction. Additionally the ENERGY STAR qualified lighting was an easy sale. "We haven't had to 'sell' the ENERGY STAR lighting to customers, the lights sell



themselves. The features are very attractive and the lighting quality is very good. Using the Advanced Lighting Package is the right thing to do for our customers, the environment, and our business. You can do the right thing and make a profit" remarks Rich Coyle.

Not only does D.R. Horton offer a 100 percent ENERGY STAR qualified features as standard in every home, Rich is happy to report that they also offer three "luxury" ENERGY STAR qualified upgrade options. The standard package features polished brass fixtures, while the "luxury" upgrades offer fixture packages from the Serenity or Brandywine families, all manufactured by Sea Gull Lighting.

All Sierra Valley Oaks homebuyers visit D.R. Horton's design center to select their lighting fixtures. The new homeowners are so pleased with the ENERGY STAR qualified lighting that a majority have selected one of the higher-priced, "luxury" ENERGY STAR qualified lighting upgrade packages. For Rich Coyle, "selling these popular upgrades is a great profit opportunity."

According to Rich, the ENERGY STAR Advanced Lighting Package has been such a positive selling point for the Sierra Valley Oaks homes that they are currently in planning stages to "offer the ALP to buyers in a number of future Northern California developments."

Sierra Valley Oaks at a Glance:

Price Range: \$490,000 to \$580,000
Description: 71 homes, 2190 to 3300 sq. ft.
Standard Lighting: 100% ENERGY STAR
Qualified fixtures standard in every home.
Lighting Upgrade: Three ENERGY STAR qualified "Luxury" lighting upgrade packages.

**EPA**
United States Environmental Protection Agency

Why Promote the ALP?

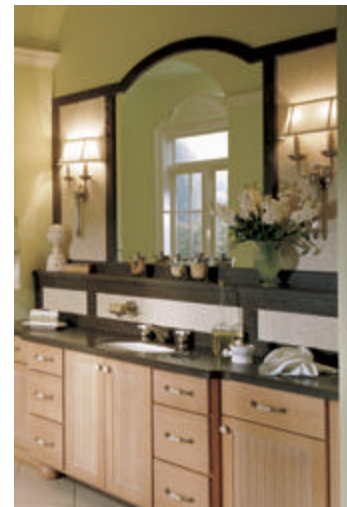


- **A way to differentiate builders in the marketplace**
- **Energy-efficiency is coming – building codes and state regulations**
- **Support from utilities and other industry leaders**
 - NAHB includes the ALP in their point system guidelines for a “Green Building”
 - ENERGY STAR Homes supports the ALP and the EPA intends to include the ALP in future Homes specifications
 - Some utilities and governmental partners are offering financial incentives for new homes meeting the ALP guidelines

Why Promote the ALP?



- **Individual fixtures or families of decorative fixtures can be used in the ALP**
- **Showrooms and distributor partners can market ENERGY STAR qualified products directly to contractors and builders**
 - To learn more about these important distribution channels attend the Showrooms and Electrical Distributors: Successes from the Field Session on Wednesday, April 6.



ENERGY STAR ALP Tools Available



ALP Consumer Brochure

This table illustrates the potential energy bill and bulb replacement savings that could be realized if a standard lighting package were replaced with fixtures that earned the ENERGY STAR®. Because electricity rates vary from state to state, five typical rates (cost per kilowatt-hour) are provided. On average, an ENERGY STAR® Advanced Lighting Package will save 1/3 of the energy used by a standard lighting package while providing equal or more light.

The number of fixtures that will be replaced in this house: 22	ENERGY STAR® ADVANCED LIGHTING PACKAGE SAVINGS FLIP CHART									
	12.5¢		10.5¢		8.5¢		7.5¢		6.5¢	
Base-only price per kilowatt-hour (paid by the homeowner)	Standard	ENERGY STAR	Standard	ENERGY STAR	Standard	ENERGY STAR	Standard	ENERGY STAR	Standard	ENERGY STAR
Annual electricity cost comparison between standard and ENERGY STAR qualified fixtures	\$253	\$80	\$212	\$67	\$172	\$55	\$152	\$48	\$131	\$42
Total annual electricity and bulb replacement savings realized when using ENERGY STAR qualified fixtures	\$177		\$150		\$122		\$108		\$94	
Increase in price of home resulting from upgrade to ENERGY STAR qualified lighting	\$660		\$660		\$660		\$660		\$660	
Mortgage payment increase (over 10 months) resulting from upgrade to ENERGY STAR qualified fixtures	\$4		\$4							
Total annual savings after increase in electricity bill and the amount	\$130		\$102							
Total savings over 10 years	\$1,038		\$817							
Total savings over 20 years	\$3,892		\$3,064							

ALP Lighting Savings Flip Chart

ENERGY STAR® ADVANCED LIGHTING PACKAGE SAVINGS LOOK-UP TOOL

This table illustrates the potential energy bill and bulb replacement savings that could be realized if a standard lighting package were replaced with fixtures that earned the ENERGY STAR®. On average, an ENERGY STAR® Advanced Lighting Package will save 1/3 of the energy used by a standard lighting package while providing equal or more light.

CHANGE A LIGHT CHANGE THE WORLD ENERGY STAR

Number of fixtures that will be replaced in this house	Base-only price per kilowatt-hour (paid by the homeowner)	Standard	ENERGY STAR	Annual electricity cost comparison between standard and ENERGY STAR qualified fixtures	Total annual electricity and bulb replacement savings realized when using ENERGY STAR qualified fixtures	Increase in price of home resulting from upgrade to ENERGY STAR qualified lighting	Mortgage payment increase (over 10 months) resulting from upgrade to ENERGY STAR qualified fixtures	Total savings after increase in electricity bill and the amount	Total savings over 10 years	Total savings over 20 years
22	\$177	\$660	\$4	\$130	\$1,038	\$3,892				
20	\$161	\$600	\$4	\$118	\$943	\$3,538				
18	\$145	\$540	\$3	\$106	\$849	\$3,184				
16	\$129	\$480	\$3	\$94	\$755	\$2,830				
14	\$113	\$420	\$3	\$83	\$660	\$2,477				
12	\$97	\$360	\$2	\$71	\$566	\$2,123				
10	\$81	\$300	\$2	\$59	\$472	\$1,769				
8	\$64	\$240	\$1	\$47	\$377	\$1,415				
6	\$48	\$180	\$1	\$35	\$283	\$1,061				

Products that earn the ENERGY STAR® provide greenhouse gas emissions by meeting strict energy efficiency guidelines set by the U.S. Environmental Protection Agency and the U.S. Department of Energy. www.energystar.gov

ALP Lighting Savings Look-up Tool

ADVANCED LIGHTING PACKAGE FOR NEW HOMES

COMFORT. SAVINGS. A BRIGHTER ENVIRONMENT.

What more can you ask for?

Key Marketing Messages



- 1) More efficient lighting: ENERGY STAR fixtures:
 - Use less energy
 - Save homeowners money
 - Produce less heat
- 2) Convenience: ENERGY STAR qualified fixtures last 5x longer than standard incandescent fixtures
- 3) Higher quality: ENERGY STAR qualified fixtures do not hum or flicker
- 4) Good for the environment: Less energy used means less greenhouse gases released

ENERGY STAR ALP

Additional Information



- **For More Information:**

- Visit: www.energystar.gov
 - Click on the New Homes link on the top of the page then
 - Click on the Advanced Lighting Package link under the “Do More With ENERGY STAR Heading” on the right hand side of the page
- Contact David Shiller at shiller.david@epa.gov or Tim Greeff at tgreeff@icfconsulting.com