ENERGY STAR®

How we love ya!
Why do we love ya?

ENERGY STAR = $$

➡️ Sales $$
➡️ Consumer Energy $$
➡️ Public $$
We’re not in Kansas anymore!
Survey says!

• Impartial agency provides endorsement of high efficiency benchmark
  – Over 90% of survey respondents said ENERGY STAR products use less energy
• ENERGY STAR products carry a premium reputation
  – A third of respondents said the label showed a sign of high quality or high performance
We’ve come a long way…

• Energy efficiency partners work in tandem to promote the brand and the products
  – Public/private partnership is alive and well with ENERGY STAR
  – Over the past five years, we have witnessed less sparring and more partnering
    • Credit goes in part to these annual meetings
  – Lead time is critical
    • Regions/states/utilities have improved planning
    • DOE timing is now more important than ever
And the walls come tumblin’ down

- Success breeds all sorts of friends
- Product line-up is filling out across product lines and brands
- Price point continues to remain higher than regular products, but it is deteriorating
- Retailers demand features and value
  - 65% of major appliances purchased through 4 retailers
  - 3 major buying groups for independents
You talkin’ to me?

- What’s happening in the retail world?
  - Big box phenomena
  - Smarter customers
  - Less floor discussion
  - Energy engagement more difficult
  - Car Company Conundrum
  - Need more flexibility and experimentation
• ENERGY STAR risks losing its relevance
  – Utilities and efficiency groups want aggressive targets
  – Retailers looking for differentiation in marketing strategies
  – Manufacturers need stability and foresight

• *Irony is that we all need each other*
I want to pump you up!

- Robust ENERGY STAR criteria needed
  - Measurements need to be more than just energy use; performance will have to be a factor
  - Dishwasher criteria is a good example
    - Raise energy factor - no debate
    - Place setting capacities
    - Standby power
    - Maximum water usage
    - Performance standards

- Consumers deserve promised expectations
Product platform life cycles have significantly shortened
  - Old paradigm: 30-year platforms
  - New paradigm: 10-year platforms (at best)

Value equation is changing
  - Repair or replace?
  - Consumer Reports (October 2005)
    - Clothes washers – replace at 8 years
    - Dishwashers – replace at 6 years
    - Refrigerators – replace between 6 & 8 years

Can’t judge energy efficiency ROI on old standards
I’m so excited!

- ENERGY STAR for major appliances is at a critical juncture
- 2006 could be a watershed year
- Transformation in the marketplace toward high efficiency products may come more quickly than anticipated
- Manufacturers are already working on projections, but . . .