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ENERGY STAR Success Story: Kohl's Department Stores

KOHL'S

Kohl's is a value-oriented specialty department store with more than 1,000 locations in 49 states. As demonstrated by its many corporate sustainability initiatives, Kohl's is committed to environmental stewardship and the reduction of its carbon footprint. As a key component in Kohl's energy management efforts since 1998, ENERGY STAR tools and resources have been utilized by the company to develop new energy management strategies and solutions for everyday business practices. Kohl's has earned an unprecedented number of ENERGY STAR certifications for its high-performing stores. More than 50 percent of the company's store portfolio has earned a 75 or higher on the one to 100 ENERGY STAR performance scale, indicating these buildings (more than 600 in all) perform in the top 25 percent of their peers in the retail market. In recognition of Kohl's strong environmental commitment and energy efficiency accomplishments, the company received EPA's prestigious ENERGY STAR Partner of the Year award in both 2010 and 2011.

Energy Management with ENERGY STAR

Since January 2007, Kohl's has used EPA's ENERGY STAR measurement and tracking tool, Portfolio Manager, to benchmark the energy performance for all of its stores. Kohl's has a longstanding commitment to energy management and estimates that the company prevented nearly \$50 million in electricity costs over the last four years through energy efficiency programs which, accounting for rate variations, have translated into an improvement in energy efficiency of more than 20 percent, primarily in stores. Most of these energy savings have resulted from low and no cost improvements to store operations and maintenance (O&M) protocols.

Kohl's also continually assesses opportunities to improve energy efficiency through projects that typically have a two to five year payback on investment, such as lighting retrofits in stores, energy management system improvements and upgrades to lighting fixtures at distribution centers. Specific initiatives include:

- Replacing 3,000 metal halide fixtures with six-lamp T-8 fixtures in four distribution centers (two year payback)
- Installing more than 1,200 variable frequency drives on rooftop units at 150 stores (two year payback)
- Converting existing 88 watt three-lamp T-8 fixtures to 55 watt two-lamp T-8 with energy efficient ballasts for more than 800 fixtures at more 100 stores (three year payback)
- Replacing 250 existing 75 watt incandescent spotlights with 24 watt ceramic metal halide spots in 714 stores (two year payback)

In addition to lighting retrofits, Kohl's upgraded the energy management systems (EMS) for 60 stores in 2009 and an additional 100 stores in 2010. All Kohl's locations utilize these systems that control both the lighting and HVAC units according to set schedules, maximizing store efficiency. Kohl's improved these systems, which are maintained and monitored by trained staff, to allow for the use of a fan standby setting for one hour per day in the three rooftop units at each store, allowing for peak energy reduction by 15 kW per store. The company also has a preventative maintenance program in place to help avoid problems before they arise.

Kohl's monitors, measures and verifies energy usage from utility bills each month and compares the data systematically to that of previous years. Portfolio Manager is used to track the ENERGY STAR scores of individual buildings before and after efficiency retrofits, and other energy management projects are implemented to document and ensure realized savings. The score is also used as a mechanism to prioritize investments across the Kohl's store portfolio.



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Feature Property: Store 10156 Willamantic, Mansfield, CT

An ENERGY STAR-certified building, Store 10156-Willamantic in Mansfield, Connecticut, serves as an example of what Kohl's has achieved in many locations throughout its entire store portfolio. At the



Willamantic store, Kohl's implemented three energy efficiency projects in 2009, including two major lighting retrofits and the installation of a variable frequency drive on each of the nine roof-top units.

These projects significantly enhanced the store's energy performance, reducing energy consumption by 14 percent from January to June 2010 compared to the same period in 2009, while meeting Kohl's goal of achieving a two to five year payback. This translated into a four-point jump on the one to 100 energy performance scale in Portfolio Manager, improving the building's score from a 75 to a 79.

Associate Engagement and Communications

Kohl's employs a variety of methods to communicate its energy efficiency efforts and participation in the ENERGY STAR program to associates, customers and other retailers and has instituted a corporate sustainability department to drive company-wide sustainability initiatives.

Internally, the ENERGY STAR program is included in intranet postings, posters, articles and e-mails to associates. The company also sponsored an Earth Day sustainability fair, highlighting energy awareness and environmental strategies, which was attended by more than 1,800 corporate associates.

Certified stores showcase the ENERGY STAR plaque inside the store and display a window decal with the ENERGY STAR logo on the entry at the front of the store. The ENERGY STAR logo can be seen at various points throughout the year at registers and in weekly advertising circulars. In-store overhead announcements also help inform customers about Kohl's energy management initiatives, including letting them know when they are shopping at an ENERGY STAR-labeled location. Kohl's has also devoted space on the website – www.kohls.com/cares – to highlight its energy management efforts and ENERGY STAR initiatives.