
**EFFECTIVE DATE CHANGE FOR REFRIGERATOR-
FREEZER ENERGY STAR PROGRAM**

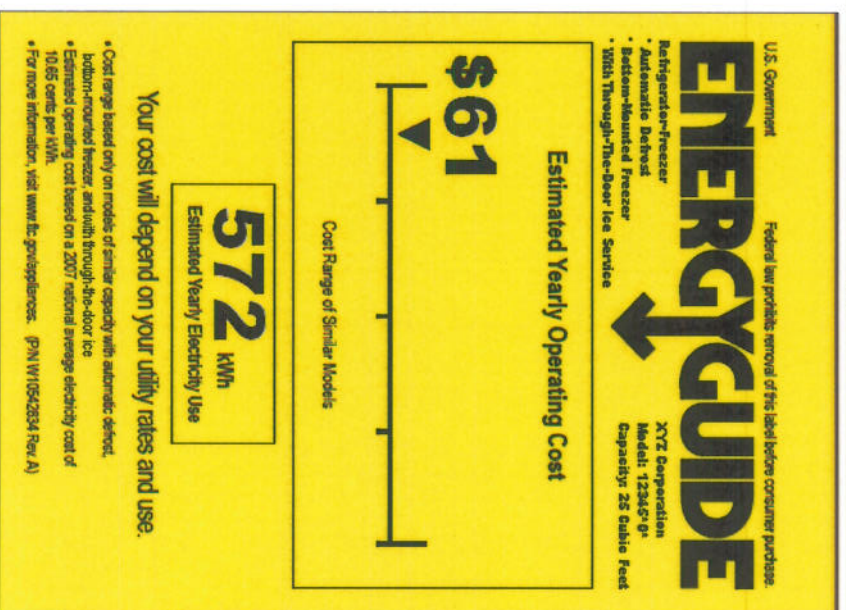
MAY 21, 2013

CONSUMER CONFUSION BETWEEN MAR 1 AND SEPT 15: BOTTOM MOUNT R/F EXAMPLE

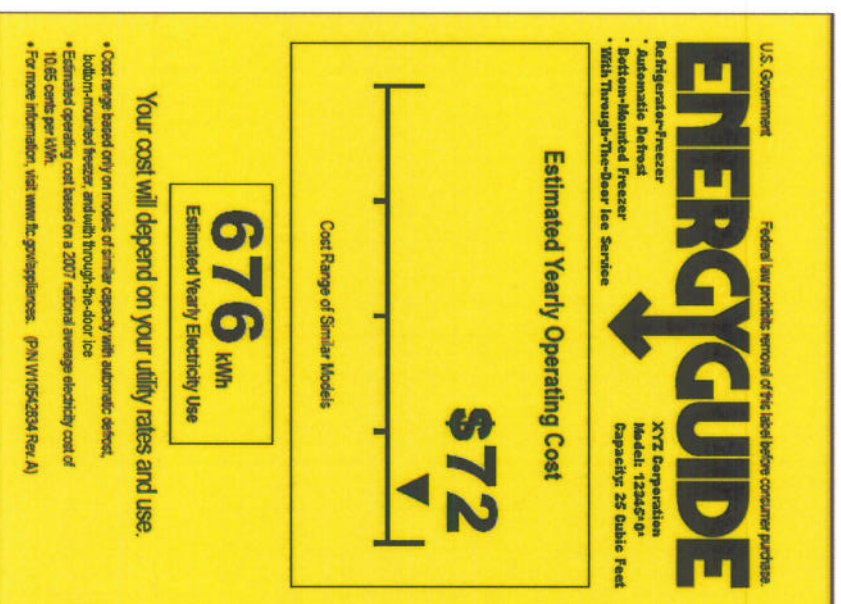
Model A
Prior Energy Star Model

Model B (redesigned Model A)
Meets 2001 DOE standard

Model C
2014 ENERGY STAR-qualified



Product Price: \$\$\$
Capacity: 25 Cubic Feet



Product Price: \$\$
Capacity: 25 Cubic Feet



Product Price: \$\$\$\$
Capacity: 24 Cubic Feet

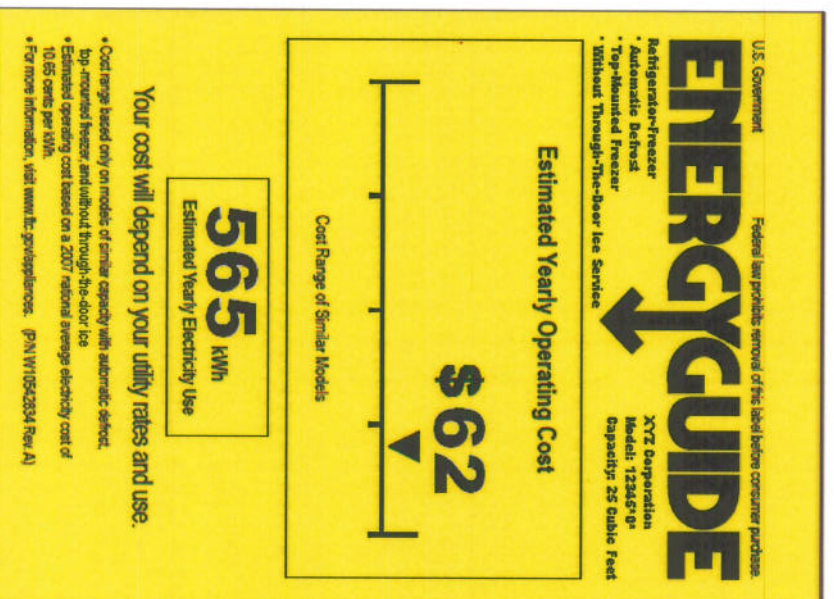
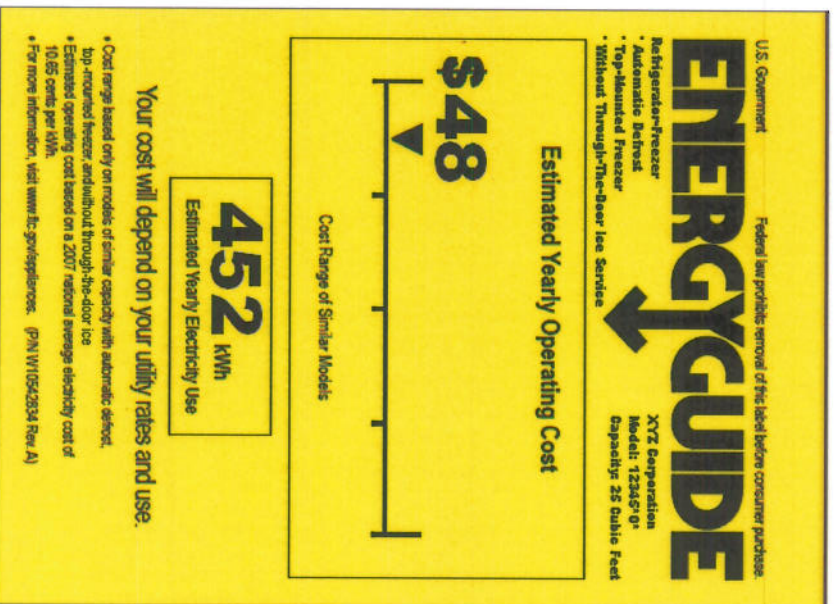
Model C actually uses 13% less energy than Model A, and 26% less than model B.

CONSUMER CONFUSION BETWEEN MAR 1 AND SEPT 15 : TOP MOUNT R/F EXAMPLE

Model A
Prior Energy Star Model

Model B (redesigned Model A)
Meets 2001 DOE standard

Model C
2014 ENERGY STAR-qualified



Product Price: \$\$
Capacity: 25 Cubic Feet

Product Price: \$\$
Capacity: 25 Cubic Feet

Product Price: \$\$\$
Capacity: 25 Cubic Feet

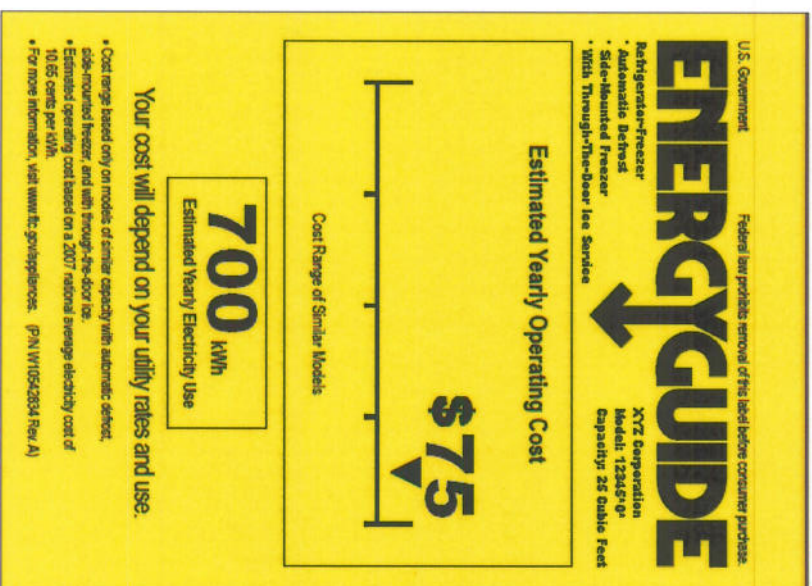
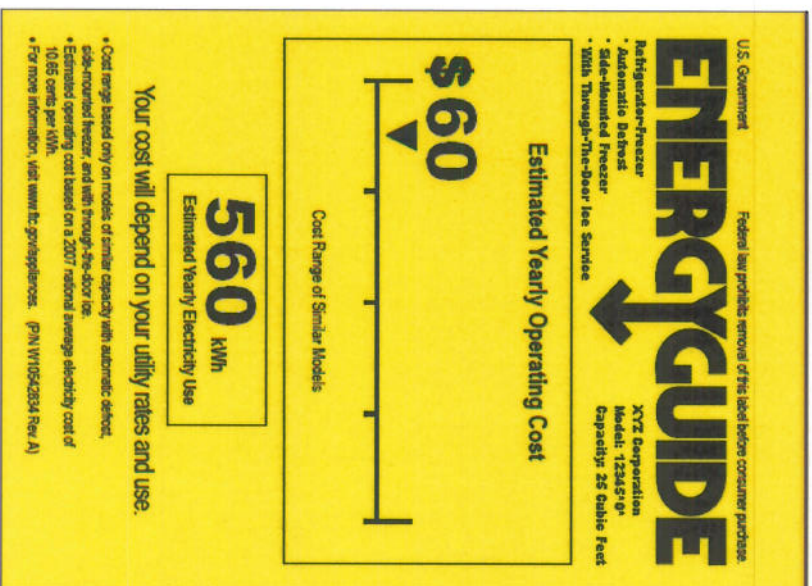
Model C actually uses 15% less energy than Model A, and 32% less than model B.

CONSUMER CONFUSION BETWEEN MAR 1 AND SEPT 15 : SIDE MOUNT R/F EXAMPLE

Model A
Prior Energy Star Model

Model B (redesigned Model A)
Meets 2001 DOE standard

Model C
2014 ENERGY STAR-qualified



Model C actually uses 17% less energy than Model A, and 34% less than model B.

NET ENERGY IMPACT OF MARCH EFFECTIVE DATE

Pre-March 1

March 1

Post-March 1

Example #1



No Change

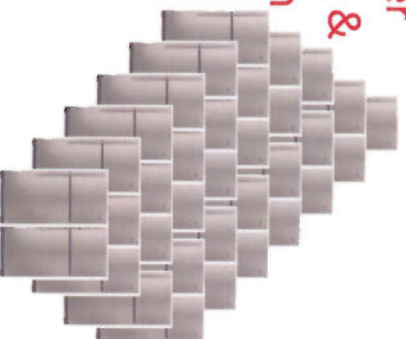


No Energy Savings due to March Effective Date
(5% *Already Meets New Level*)

Example #2



Consumer Confusion & Redesign



Energy Increase due to March Effective Date

Example #3

Add 2014 Estar Product, 10-15% Improvement



Energy Savings due to March Effective Date, because of New Launch.

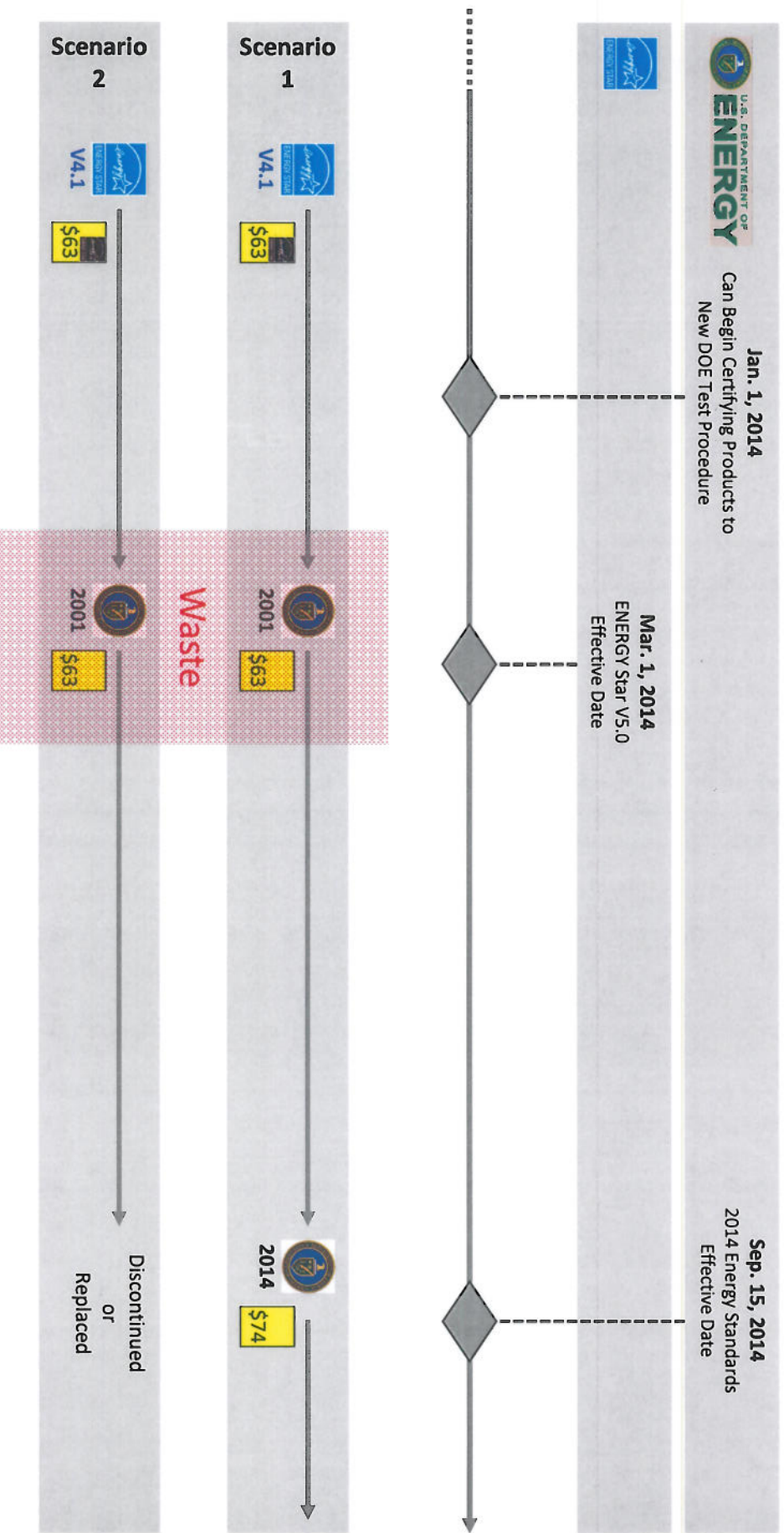
Net Energy Consumption Likely to Increase

NET ENERGY IMPACT CALCULATION

[# of annual shipments between ES and ES2014 to achieve penetration level during the first year] / [4, avg of 6 month period] * [Energy difference between current and ES2014] + [annual energy * 14.5 years, for 15 year life]		Energy Saving – Lifetime (kwh)
5% ENERGY STAR Penetration in March		0
15% ENERGY STAR Penetration in March		367M
25% ENERGY STAR Penetration in March		976M
[# of annual shipments between ES and ES2014] / [2 for 6 month period] * [40%, models that will be discontinued] * [Energy difference between current and federal minimum] * [30, # of 6 month periods for 15 year life]		Energy Gain – Lifetime (kwh) *
50% Redesigned		1,600M
25% Redesigned		804M
10% Redesigned		322M

* Does not include any energy gains from consumer confusion

MANUFACTURER AND TRADE BURDEN



Waste for Manufacturers and Trade at Least \$7M

SCENARIO 1 WASTE SPECIFICS



Current

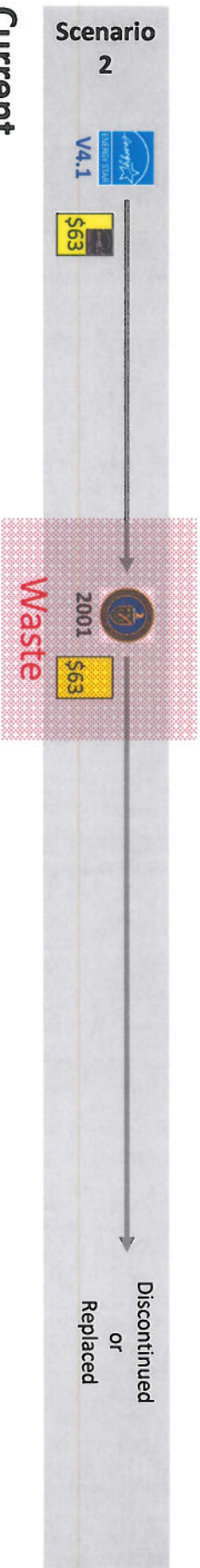
- Activities with red text are WASTE*
- Update Internal Systems (SAP).
 - Update Estar Listing.
 - Facilitate trade transition.
 - Transition Manufacturing Materials.
 - Create New Energy Tag.
 - Create New POP Materials
 - Update User Manual, Serial Tag, Product Documentation.
 - Update Store Website
 - Update Systems.
 - Change brochures, catalog of products.
 - Change POP Materials on Floor
 - Change Floor Pricing Tag
- Perform Energy Test
 - Create and Submit Certification Documentation
 - Update Internal Systems (SAP).
 - Facilitate trade transition.
 - Transition Manufacturing Materials.
 - Create New Energy Tag.
 - Update Store Website
 - Update Systems.
 - Change POP Materials on Floor
 - Change Floor Energy Tags



Proposed

- Perform Energy Test
 - Create and Submit Certification Documentation
 - Update Internal Systems (SAP).
 - Update Estar Listing.
 - Facilitate trade transition.
 - Transition Manufacturing Materials.
 - Create New Energy Tag.
 - Create New POP Materials
- Update User Manual, Serial Tag, Product Documentation.
 - Update Store Website
 - Update Systems.
 - Change brochures, catalog of products.
 - Change POP Materials on Floor
 - Change Floor Pricing Tag
 - Change Floor Energy Tags

SCENARIO 2 WASTE SPECIFICS

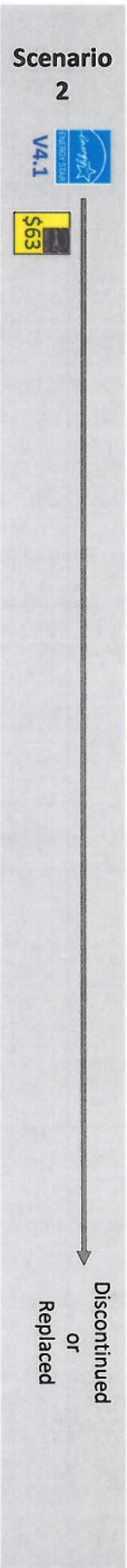


Current

Activities with red text are WASTE

- Facilitate trade transition.
- Transition Manufacturing Materials.
- Create New Energy Tag.
- Create New POP Materials
- Update User Manual, Serial Tag, Product Documentation.
- Update Store Website
- Update Systems.
- Change brochures, catalog of products.
- Change POP Materials on Floor (i.e. "most-efficient" claim)
- Change Floor Pricing Tag

- Update Internal Systems (SAP).
- Update Store Website
- Update Systems.
- Remove Floor Model



Proposed

- Update Internal Systems (SAP).
- Update Estar Listing.
- Update Store Website
- Update Systems.
- Remove Floor Model

SUMMARY – REAL IMPACT OF MARCH EFFECTIVE DATE

Significant Consumer/Label Confusion in Retail and Potential Damage to ENERGY STAR Brand

Net Increase in Energy Consumption Possible on the Grid

Net Increase in Average Energy Costs Possible for Consumers

Multi-Million Dollar Increase in Burden to Manufacturers and Retail Overwhelm Any Consumer/Energy Efficiency Benefit