

ENERGY STAR® 2004 ACHIEVEMENTS IN BRIEF

PARTNERSHIPS LEAD TO A BETTER ENVIRONMENT

Energy efficiency is vital to the United States. It is a strategic investment that provides many benefits. In addition to helping Americans at home and in business save up to 30 percent on their energy bills each year, energy efficiency increases energy reliability, prevents greenhouse gas emissions, and improves national energy security. It is also an essential strategy for reducing natural gas prices and ensuring a balanced energy future in a growing economy.

Recognizing the importance of energy efficiency, the U.S. Environmental Protection Agency (EPA) established the voluntary ENERGY STAR® program in 1992, and has partnered with the Department of Energy (DOE) since 1996 to increase the nationwide use of energy-efficient products and practices. The ENERGY STAR program has made outstanding progress with thousands of partners delivering energy efficiency across many sectors of the economy and is well positioned now to initiate further efficiency improvements in the coming decade.

The program succeeds because of its common sense approach to promoting existing yet underutilized technologies and practices that improve the efficiency of our homes, commercial buildings, and industries. ENERGY STAR overcomes market barriers limiting the adoption of cost-effective, energy-saving products and practices and helps unleash savings for individuals and organizations. Since inception, ENERGY STAR has played a distinct role in the marketplace by providing credible, objective information upon which businesses and homeowners can make better informed decisions. The program reduces energy demand, lowers energy bills, and helps avoid greenhouse gas emissions.

The major ENERGY STAR achievements based on partners' actions in the residential, commercial, and industrial sectors through the end of 2004 are summarized in this document.

MAJOR BENEFITS TO OUR ENVIRONMENT AND ECONOMY

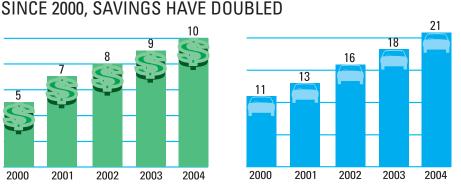
Year after year, ENERGY STAR partners build on their environmental and economic accomplishments, and 2004 was another outstanding year.

Americans, with the help of ENERGY STAR, prevented 30 million metric tons of greenhouse gas emissions in 2004 alone—equivalent to the annual emissions from 20 million vehicles—and saved about \$10 billion on their utility bills. They also saved a significant amount of energy in 2004—135 billion kilowatt hours (kWh) or 4 percent of total 2004 electricity sales. In addition, ENERGY STAR helped avoid 24,000 megawatts (MW) of peak power, the equivalent amount of energy required to power about 24 million homes.

ENERGY STAR and its partners delivered one-third of the total greenhouse gas emissions reductions from EPA's climate change programs. Annual reductions in greenhouse gases are on track to double again in 10 years to the equivalent annual emissions from 40 million vehicles.

2000 2001 2002 2003 2004

UTILITY BILL SAVINGS (in billions)



EMISSIONS SAVED IN VEHICLE EQUIVALENTS (in millions)



Source: EPA Climate Protection Partnerships Division

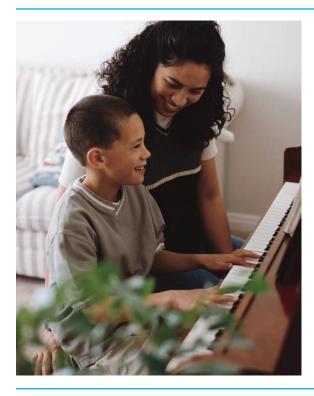
ENERGY STAR FOR THE HOME

Homes provide a sizeable opportunity for protecting the environment through energy efficiency. The energy used in a typical home can cause twice as many greenhouse gas emissions as operating a vehicle for one year. That energy now costs about \$1,500 per year. By looking to ENERGY STAR for greater efficiency, households are saving up to \$450 annually on utility bills and significantly reducing their emissions of greenhouse gases. Whether buying a product for the home, making home improvements, or buying a new home, consumers can rely on ENERGY STAR to guide their investment decisions, save them money, and contribute to a better environment.

Residential Sector Highlights for 2004

- Americans can now choose energy-saving products from more than 40 categories to use in their homes. Individual products that qualify for the ENERGY STAR save consumers between 10 and 90 percent relative to standard models. In total, consumers can save up to 30 percent on electricity by making their homes energy efficient with ENERGY STAR qualified products.
- More ENERGY STAR qualified products joined the family this past year. EPA introduced new ENERGY STAR specifications for air cleaners and revised specifications for computer monitors. Qualified external power supplies were introduced in January 2005 to be used for a host of electronics applications.

- Consumers increasingly trust ENERGY STAR when making purchasing decisions. Now recognized by more than 60 percent of the American public, the ENERGY STAR label has become the national symbol for environmental protection through energy efficiency. In addition, 30 percent of U.S. households report knowingly purchasing an ENERGY STAR qualified product in the past year, and many say they would recommend ENERGY STAR to a friend.
- Consumers have benefited from the purchase of more than one billion ENERGY STAR qualified products, including home appliances, heating and cooling equipment, home electronics, office equipment, lighting, and other products.
- More than 360,000 families now live in ENERGY STAR qualified new homes and have locked in total financial savings estimated at \$200 million annually. In many major markets, prospective homebuyers can easily find an ENERGY STAR qualified home because local builders are constructing 20 percent or more of their new homes as ENERGY STAR.
- More than 11,000 homes have been improved through Home Performance with ENERGY STAR, a government-backed service that continues to expand nationwide. This wholehouse retrofit initiative involves certified contractors who recommend—through diagnostic testing—the most costeffective, energy-efficient home improvements for homeowners. Home Performance with ENERGY STAR is growing as states and utilities look for additional opportunities to achieve energy savings and reduce peak loads.



"With ENERGY STAR, Lowe's partners with our employees and customers to help improve the environment through reduced pollution and decreased reliance on energy. Through our training and educational efforts, we help make the connection between energy use and the environment, which last year led to sales of over 5 million ENERGY STAR qualified products saving our customers more than \$58 million in energy costs and reducing carbon emissions equivalent to planting nearly 116,000 acres of trees."

> Michael Chenard, Director Environmental & Government Affairs, Lowe's Companies, Inc.

ENERGY STAR FOR BUSINESS

EPA offers the ENERGY STAR partnership to organizations of all types and sizes, encouraging senior-level executives and decisionmakers to commit to superior energy management. As a result, these organizations reap the economic and environmental benefits that come with energy savings. Many U.S. buildings and industrial facilities can use 20 to 30 percent less energy by making cost-effective investments in energy efficiency. EPA provides standardized measurement tools and proven business strategies to capture substantial environmental and economic benefits.

Building and Industrial Highlights for 2004

- EPA's energy performance rating system is growing as a valuable means of assessing baseline energy performance and targeting investments. To date, the system has been used to evaluate about 21,000 buildings; 34% of hospitals, 21% of supermarkets, 20% of office buildings, 13% of schools, and 9% of hotels have been benchmarked. The energy performance rating system will expand to more building types such as discount stores, fast food restaurants, and home centers in the near future.
- Nearly 2,000 buildings have earned the ENERGY STAR, saving a significant amount of energy and avoiding unnecessary greenhouse gas emissions. These top performers are using about 40 percent less energy than average buildings.
- Commercial sector partners have improved thousands of buildings, resulting in billions of dollars in energy savings.
- In the industrial sector, ENERGY STAR partnered with key industries to develop standardized measurement tools and industry-specific best practices. The key industries include automobile manufacturing, cement, and corn refining. In the coming year, EPA will expand the industrial effort to include the glass manufacturing and food processing industries.
- More ENERGY STAR qualified products came to market for the commercial and industrial sectors. EPA introduced new design specifications for vending machines, while revising specifications for exit signs and computer monitors. New specifications are in progress for commercial dishwashers, clothes washers, ice machines, and several other products.
- In 2005, EPA will launch the ENERGY STAR Challenge— Building a Better World 10% at a Time. In coordination with key associations and states, the Challenge calls on U.S. businesses and institutions to reduce energy use by 10 percent or more.

ENERGY STAR PARTNERS

Through ENERGY STAR, EPA and DOE are partnering with an increasingly diverse set of organizations that help protect the environment through energy-efficient technologies and practices. These public and private sector partners are discovering the value in bringing energy efficiency to the public and generating benefits for everyone.

Partnership Highlights for 2004

- More than 7,000 organizations have become ENERGY STAR partners by committing to improve the energy efficiency of products, homes, and businesses.
- The number of businesses, both large and small, offering energy efficiency services and ENERGY STAR qualified products continued to rise. Approximately 1,400 manufacturers use the ENERGY STAR across a total of 32,000 individual product models in over 40 product categories.
- Retailers' participation is key to distributing information to consumers; they are the critical link between manufacturers of energy-saving products and the end users. In 5 years, the number of ENERGY STAR retail partners has soared from 25 to 550, representing 21,000 storefronts across the country.
- More than 2,000 builder partners across the United States have constructed new ENERGY STAR qualified homes that save homeowners money while maintaining high levels of comfort. In the future, the specification for ENERGY STAR qualified homes will be updated to provide even more value for builders and homeowners.
- EPA and DOE are working with the Department of Housing and Urban Development and public housing authorities to move ENERGY STAR into the affordable housing market.
- Utilities and other energy efficiency program sponsors are leveraging the ENERGY STAR platform for the benefit of their customers. Many of their efficiency programs are delivering energy savings at a cost of about 3 cents per kilowatt-hour, substantially less than the cost of building the next new power plant. Energy efficiency programs administered by utilities are a low-cost contributor to system adequacy that reduce the base load and peak power demands on the electric system.
- EPA provides technical assistance, tools, and outreach to state and local officials and their national associations on the environmental, energy, and economic benefits of reducing energy use. To date, more than 30 states have joined the ENERGY STAR partnership.

PROGRAM EFFECTIVENESS

ENERGY STAR is a major component of EPA's climate protection programs. Every federal dollar spent on these partnership programs means:

- Reductions in greenhouse gas emissions of 1.0 metric ton of carbon equivalent (3.7 tons of CO₂).
- Savings for partners and consumers of more than \$75 on their energy bills.
- The creation of more than \$15 in private sector investment.
- The addition of over \$60 into the economy.



2004 ENERGY STAR[®] AWARD WINNERS

CORPORATE COMMITMENT

New York State Energy Research and Development Authority *Albany, NY*

SUSTAINED EXCELLENCE

3M St. Paul, MN

Eastman Kodak Company *Rochester, NY*

Ence Homes St. George, UT Food Lion, LLC Salisbury, NC

Nevada ENERGY STAR Partners Las Vegas, NV

Pardee Homes Los Angeles, CA

Servidyne Systems, LLC Atlanta, GA

USAA Real Estate Company San Antonio, TX

PARTNER OF THE YEAR RETAILER

Lowe's Companies, Inc. *Mooresville, NC*

LEADERSHIP IN ENERGY MANAGEMENT

California Portland Cement Company Glendora, CA Colorado Springs School District 11 Colorado Springs, CO Giant Eagle, Inc. Pittsburgh, PA Marriott International, Inc. Washington, DC New York-Presbyterian Hospital New York, NY The Saunders Hotel Group Boston, MA Toyota Motor Manufacturing North America, Inc. Erlanger, KY Transwestern Commercial Services Houston, TX

EXCELLENCE IN ENERGY SERVICES

Avista Advantage *Spokane, WA* NSTAR Electric *Boston, MA*

"Our partnership with ENERGY STAR has been one of the cornerstones of our very successful New York Energy \$mart Program. Our market transformation efforts have been successful with retailers and consumers because of our close association with ENERGY STAR and its message of quality, value, and environmental protection."

> Tom Collins, Director of Communications, New York State Energy Research and Development Authority

PARTNER OF THE YEAR PRODUCT MANUFACTURERS

Canon U.S.A., Inc. Lake Success, NY GE Consumer and Industrial - Appliances Louisville, KY Gorell Enterprises, Inc.

Indiana, PA Lennox Industries Inc. Richardson, TX

Sea Gull Lighting Products, Inc. *Riverside, NJ*

SYLVANIA Danvers, MA Whirlpool Corp

Whirlpool Corporation Benton Harbor, MI

NATIONAL PRODUCT CAMPAIGNS

GE Consumer and Industrial - Lighting Louisville, KY

Maytag Corporation Newton, IA Wisconsin Focus on Energy Madison, WI

EXCELLENCE IN APPLIANCE RETAILING

Sears, Roebuck and Co. *Hoffman Estates, IL*

EXCELLENCE IN PRODUCT LABELING

Panasonic *Secaucus, NJ*

RETAIL COMMITMENT AWARD

The Home Depot *Atlanta, GA*

EXCELLENCE IN HOME IMPROVEMENT

Austin Energy Austin, TX Wisconsin Focus on Energy Madison, WI

PARTNER OF THE YEAR NEW HOMES

Astoria Homes *Las Vegas, NV*

Cambridge Homes *Altamonte Springs, FL*

D.R. Horton, Inc. – Sacramento Division *Fort Worth. TX*

David Powers Homes *Houston, TX*

Energy Sense *Houston, TX*

Guaranteed Watt Saver Systems-West, Inc. *Oklahoma City, OK*

Veridian Homes Madison, WI

LEADERSHIP IN ENERGY EFFICIENCY

California Investor-Owned Utility Companies: Pacific Gas & Electric Company San Francisco, CA

> San Diego Gas & Electric *San Diego, CA*

Southern California Edison Company *Rosemead, CA*

Southern California Gas Company Los Angeles, CA

CenterPoint Energy Houston, TX

Governor Robert L. Ehrlich, Jr. and the Maryland Energy Administration Annapolis, MD

MidAmerican Energy Company Des Moines, IA

New Jersey Board of Public Utilities, Office of Clean Energy Newark, NJ

Northeast ENERGY STAR Lighting and Appliance Initiative *Lexington, MA*

TXU Electric Delivery Dallas, TX

Wisconsin Focus on Energy Madison, WI