

SEARS HOLDINGS

Sears Holdings Saving with Energy Star



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SHOP YOUR WAYSM

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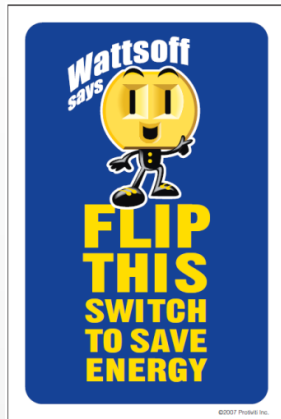


Our Journey

- We began benchmarking all of our buildings in Energy Star Portfolio Manager in 2008

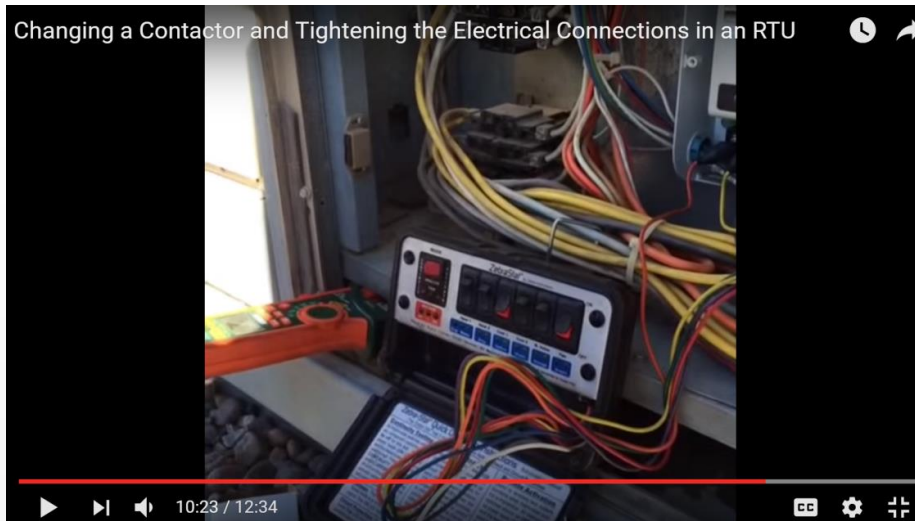


- Focused Energy Savings Effort began late 2008
 - Message began with a “turn off when not in use” awareness campaign.
Developed into “Treat your store like you would your home”.



Our Journey

- In 2010, SHC began to investigate market variance in energy performance. We visited stores in a market to see if we were able to identify the causes. This is very much like the overall process of the Treasure Hunt program that Energy Star later came out with.
- Training and understanding of the proper operation of the equipment was identified as the key finding.
- These findings resulted in SHC developing a small team of specialized energy focused technicians, with a key objective of identifying and correcting energy waste in underperforming stores. A sites Energy Star Rating is a primary filter in the targeting process.
- SHC has used typical findings from this team to improve our troubleshooting training and process as well as the quality of our Preventative Maintenance procedures for our ~ 300 field technicians.
- A number of classroom type sessions and YouTube videos have been created to further educate our field technicians.




Sheave

- The same tool can be used to identify issues with the sheave
- Remove the belt and find the corresponding gauge
- Place the tool into the sheave and look for wear on the bottom and around the sides of the sheave

Note the gap between the right side of the sheave and the tool

A space as small as 1/32 of an inch can dramatically decrease efficiency

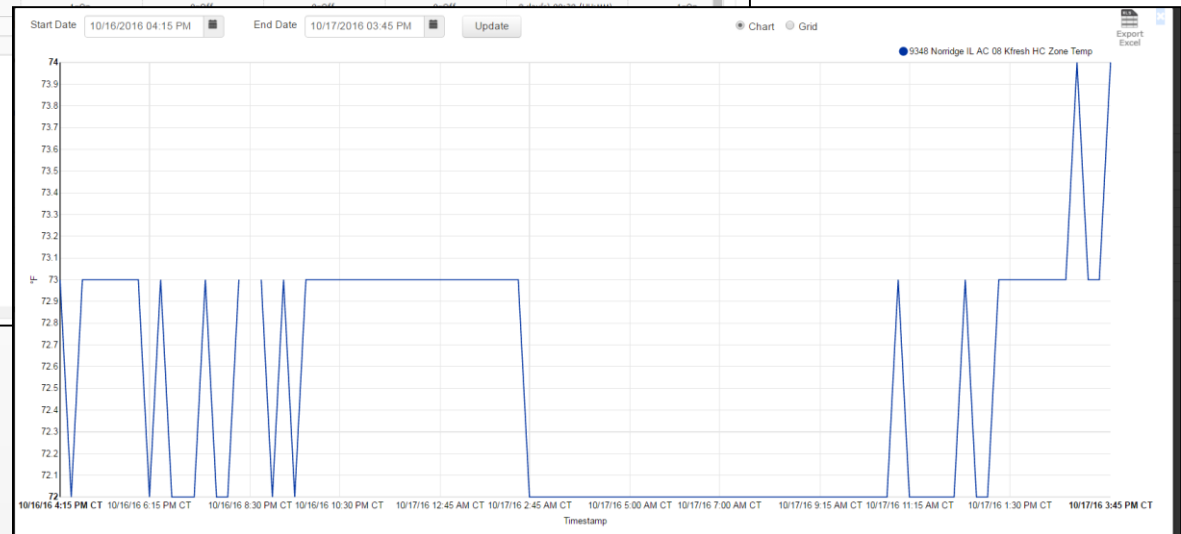
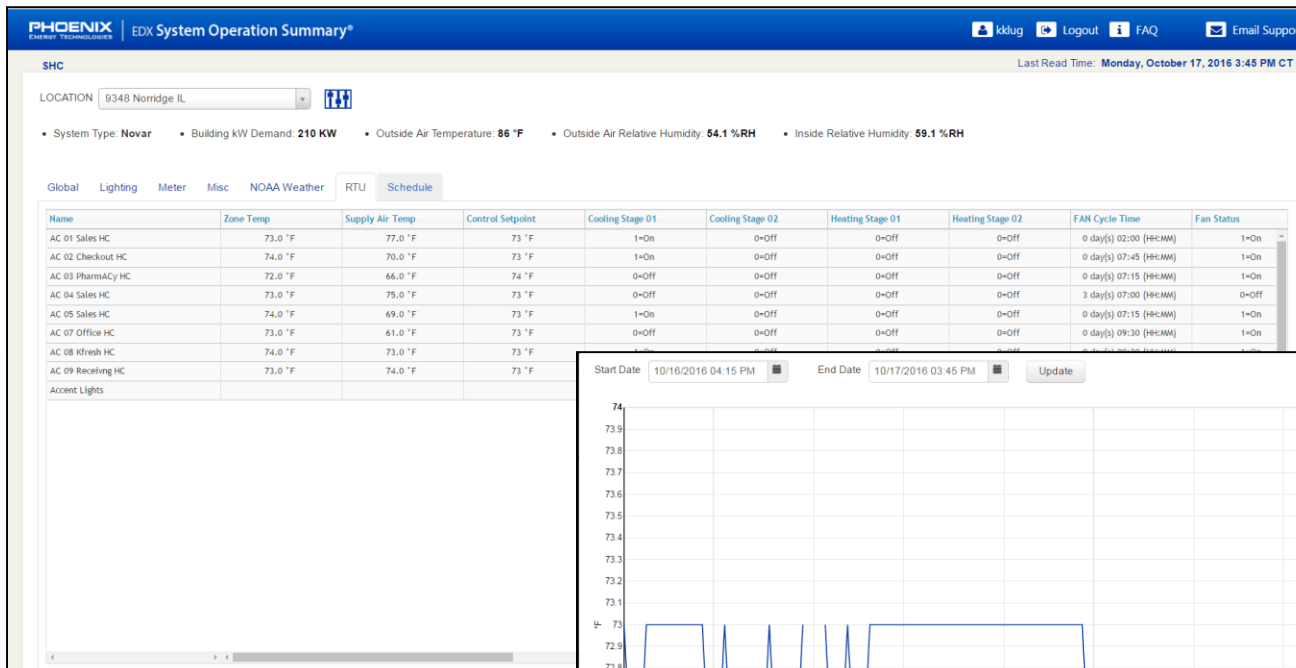
If grooves are worn out the sheave will need to be replaced



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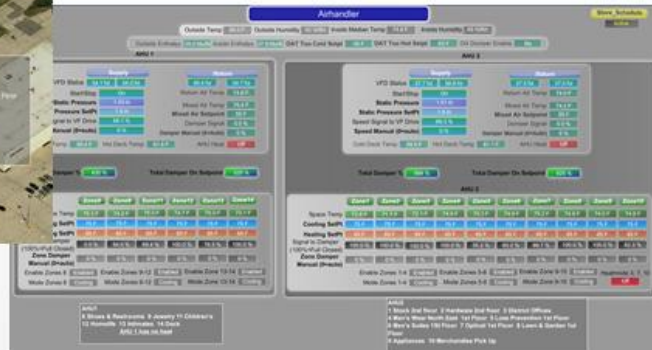
Our Journey

- SHC worked with Phoenix Energy Technologies, our 3rd party monitoring service to develop an EMS dashboard, now called Building View, for greater technician visibility to nearly all their stores. A small portion of each technician's daily schedule is to review each of their buildings for anomalies and waste.
- SHC was Awarded Retail TouchPoint's "Retail Innovator Award – 2016" for this application.



Our Journey

- We identified that we could even improve the energy performance in our best stores - nobody is exempt.
- To further improve energy performance and comfort, SHC has now installed over 225 “private label” building control systems in the last few years on large central plant systems (chillers/boilers) with advanced variable speed drive controls.
- LED lighting has now become a game changer. Quality, performance, and price has resulted in a focus on interior LED lighting technology. By the end of 2016 approximately 200 stores will have LED interior lighting with plans to accelerate installations in 2017.
- LED lighting and HVAC controls are key components in future building improvements.



Battle of the Buildings

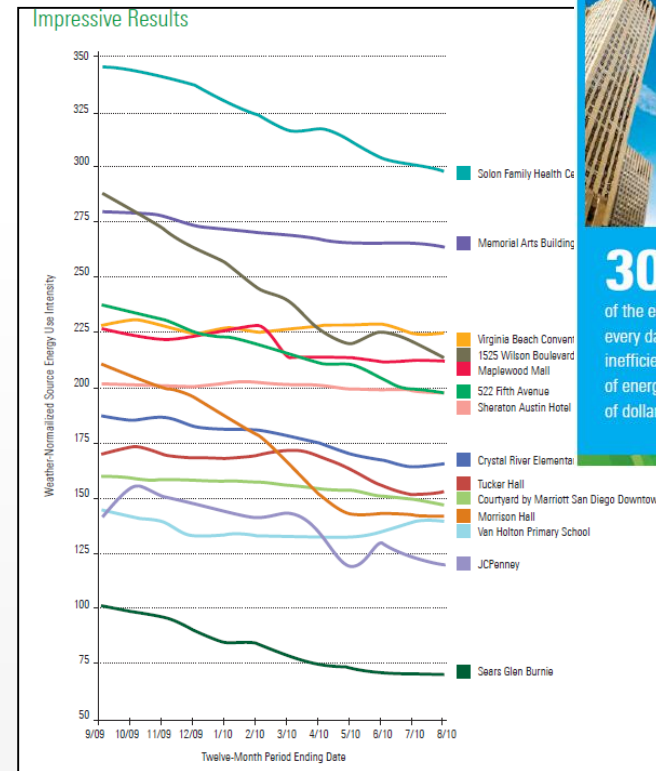
Based on our Journey, it was a natural progression to participate in the Battle of the Buildings competition when introduced in 2010. Sears Holdings is very proud to have participated in each of the Battle of the Building competitions since inception and while we have performed well each year, especially in the Retail category, but still working to capture the #1 overall spot.



EPA Presents

THE NATIONAL BUILDING COMPETITION

Working off the Waste with ENERGY STAR®



30%
of the energy that buildings use every day is wasted. Rooting out inefficiencies and other sources of energy waste can save billions of dollars each year.

Battle of the Buildings

"Benchmarking your buildings is a crucial first step to understanding what the baseline energy consumption is."



Sears Glen Burnie, Glen Burnie, MD
This Sears store, built outside Baltimore in 1996, covers 195,000 square feet and is stepping up its energy efficiency by replacing lighting and training employees on effective ways to manage energy use in the store.



Pictured: Remotti's Ropers Energy Team

"The process of having a competitive challenge, even though friendly, enables us as a team to stay focused on goals."



EPA National Building Competition Performance:

- 2010 Inaugural Year, 2nd place (Glen Burnie, MD) out of 14 competitors.
- 2011, 25th place (Cape Girardeau, MO) out of 245 buildings.
- 2012, 3 stores in top 15, #1 Big Box Retailer, 20 sites with special honors each saving over 20%, all 56 stores enrolled saved energy. 3,000 buildings nationwide competed.
- 2013 Battle of the Buildings, most number of buildings entered by a single organization at 122. 7 of our stores received 20% or Better Improvement Recognition from the EPA.
- 2014 Battle of the Buildings, 4 of our teams ranked in the Top 15. 6 stores earned 20% or Better Improvement Recognition. We received a write-up in the 2014 Wrap Up Report on our performance in the competition on behalf of these 4 teams.
- 2015 Battle of the Buildings, 4 Teams ranked 3, 5, 6 & 7th overall, and 1st through 4th in the Retail with 22 stores entered. In Retail, SHC buildings finished 1st through 12th, and 14th place.

Results

Energy Star ratings are a key performance metric for our organization and used as a main component for our annual site level utility usage and fiscal plans.

Energy Star Portfolio Performance:

- Baseline ES Rating 2008 ~ 62
- Current Portfolio ES Rating ~ 78
 - (75 is eligible for building certification)
- We currently have 486 stores Energy Star certified
 - SHC continues to certify additional stores annually



Since 2008

SHC has reduced energy consumption by over 2 Billion kWh in retail stores alone.

Actual reduction in spend has exceeded \$130 Million*.

Cumulative cost avoidance now exceeds \$1 Billion**



Recognition



- ENERGY STAR Partner of the Year – Sustained Excellence – 2016
- ENERGY STAR Partner of the Year – Sustained Excellence – 2015
- ENERGY STAR Partner of the Year – Sustained Excellence – 2014
- ENERGY STAR Partner of the Year – Sustained Excellence – 2013
- ENERGY STAR Partner of the Year - **Corporate Commitment Award – 2012**
- ENERGY STAR Partner of the Year – 2011 (460 total stores earned ENERGY STAR Rating)
- ENERGY STAR Leaders Award – Kmart, 2011