



CONSORTIUM FOR ENERGY EFFICIENCY, INC.

Expanding Markets for Super-Efficient Technologiessm

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March 8, 2002

FOR IMMEDIATE RELEASE

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Energy efficiency is now a high priority for Americans Consumers and businesses taking advantage of energy-saving opportunities

Just a few years ago, the term “energy efficiency” was a phrase seldom heard outside the small circle of conservation program planners. Today – as we face energy shortages, blackouts and rising electricity costs – it has become an integral part of American life.

Thanks to the work of the Consortium for Energy Efficiency (CEE) and its members, there have been dramatic increases in the sales of energy-saving appliances, air conditioners, lighting, traffic signals, commercial and industrial equipment, and more.

According to a recent study by Primen (an independent energy market intelligence company), **U.S. consumers rank energy efficiency as their most important consideration** in shopping for home appliances (see attached sheet). Likewise, many businesses and industrial facilities are taking steps to reduce energy consumption.

“Energy efficiency saves money, reduces pollution and increases system reliability,” said CEE Executive Director **Marc Hoffman**. “Utility programs that are promoting energy efficiency – through rebates, consumer education and tax credits – are making a big impact.”

Energy-efficiency programs are funded, in large part, through a small surcharge to utility bills. Below are some examples of energy-efficiency initiatives that are being implemented by CEE members.

CLOTHES WASHERS

Six years ago, high-efficiency washers were a high-priced niche product, available only from foreign manufacturers. Today, the national market penetration is 12 percent and there are 88 models available. In areas where utilities are running programs, the market penetration is approximately 25 percent.

TRAFFIC SIGNALS

Light-emitting diode (LED) traffic signals reduce electricity consumption by 80-90 percent and last 5-10 times longer than incandescent signals. National market penetration for LED signals, estimated at 1 percent in 1996, is now 20 percent. Thirty utilities have supported this effort for the past three years.

INDUSTRIAL MOTORS

The market share of premium-efficiency motors now exceeds 20 percent and 12 major manufacturers are currently producing these motors as an integral part of their top lines. In some areas of the country, where motor programs are prevalent, market penetration is as high as 30 percent.

ABOUT CEE

CEE is a national non-profit organization that promotes energy-efficient products and services. CEE members include utilities, local and regional energy organizations, and state energy offices. By implementing energy-efficiency programs, CEE members are changing national markets.

For more information, see the CEE web site at www.cee1.org.

Resource-efficient clothes washers

Washers qualifying for CEE's Residential Clothes Washer Initiative use less water and thus require less energy to heat the water. According to the U.S. Dept. of Energy, resource-efficient models use:

- 44 percent less water
- 50 percent less energy
- 24 percent less detergent



Due to greater visibility in the market, increased product selection and falling prices, more consumers are buying resource-efficient clothes washers than ever before. Prior to 1995, market share was estimated at less than 1 percent.

Market share of resource-efficient washers is rising

1998	390,000 washers sold	5.7 percent of market
1999	620,000 washers sold	8.5 percent of market
2000	700,000 washers sold	9.3 percent of market
2001	787,000 washers sold	12.0 percent of market
2007	8 million washers sold (projected)	100 percent of market*

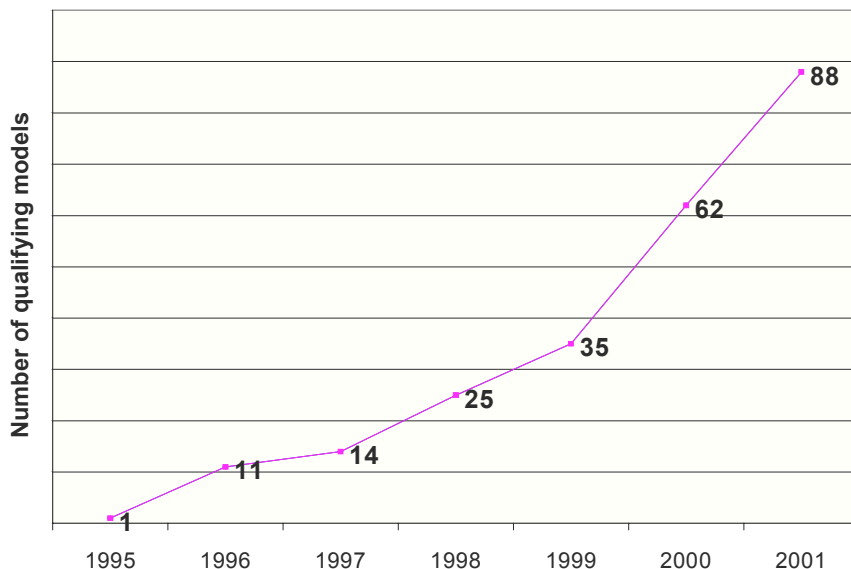
*Because Federal minimum standards will rise to CEE levels in 2007, all washers sold will be resource efficient.

Sources: ENERGY STAR, Association of Home Appliance Manufacturers (AHAM) Shipment Data, Appliance Magazine Forecasts. 2001 figures are estimates based on first-half sales.

The cumulative savings from these washers (through 2001) is

- 1.1 billion kWh
- 27 billion gallons of water
- 59 million therms of gas

Product availability continues to soar ... while prices steadily drop



	Minimum price (\$)
1997	999
1998	599
1999	599
2000	549
2001	549

Source: Manufacturer submissions

LED traffic signals

CEE promotes the installation of light-emitting diode (LED) traffic signals through its Energy-Efficient Traffic Signal Initiative. LEDs are semiconductor devices that use solid state electronics to produce colored light.

(At the present time, LEDs represent the only available light source that can achieve the level of energy savings targeted by the initiative. CEE, however, is open to promoting other technologies that can save energy at this level.)



ENERGY SAVINGS

LED traffic signals use 80-90 percent less energy than comparable incandescent signals.

MAINTENANCE SAVINGS

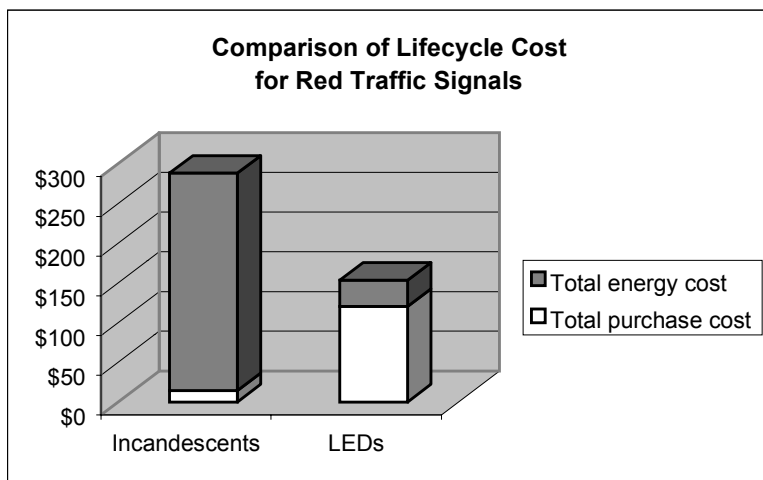
LED signals last 5-10 times longer than incandescent signals, which typically need to be replaced annually.

PEAK DEMAND SAVINGS

Since traffic signals are in use 24 hours a day, 365 days a year, LED signals make a significant impact on reducing peak load.

LED traffic signals are cost effective

Although the first cost of an LED signal is significantly higher than an incandescent signal, it requires much less energy, resulting in paybacks of less than three years.



Source: 1998 ACEEE study (Margaret Suozzo)

The market is growing

In 1994, there were 7,702 LED traffic signals installed in the U.S. By 2001, the number had grown to more than 900,000.

	Market penetration (%)
1994	less than 1
1995	less than 1
1996	1
1997	2
1998	3
1999	7
2000	10
2001	20

Source: Industry reports

Industrial and commercial motors

Motors account for roughly 50 percent of all U.S. energy use and two-thirds of all industrial energy use.

When running continuously at or near full load, the annual energy cost for a motor can be *10-25* times its purchase price.



In June 2001, CEE and the National Electrical Manufacturers Association (NEMA) agreed to co-promote a national brand for premium-efficiency motors (**NEMA Premium™**). Specifications for NEMA Premium are generally 1-2 percent higher than federal minimum standards. Small increases in efficiency, however, can yield huge energy savings.

FOR EXAMPLE ...

The price for a standard-efficiency 20 hp, 1800 rpm, TEFC motor is about \$928. For an additional \$78, you can buy a NEMA Premium motor, which is 1.3 percent more efficient. Based on 8,000 hours a year, 75 percent load and 10 cents/kWh, the premium motor **saves \$129 per year in electricity**. The incremental cost is covered in about seven months and the **entire cost of the motor is paid back in less than eight years**.

Nationwide, the market penetration for NEMA Premium is *20 percent*.

The following manufacturers offer NEMA Premium motors:

- A.O. Smith
- Baldor Electric
- Emerson Motors
- GE Motors
- Leeson Electric
- Lincoln Motors
- Marathon Electric
- Rockwell Automation
- Siemens
- Sterling Electric
- Toshiba International
- WEG Electric

ALONG WITH CEE'S PREMIUM-EFFICIENCY MOTORS INITIATIVE, NATIONAL, REGIONAL AND LOCAL PROGRAMS PROMOTE NEMA PREMIUM

MotorUp

Northeast Energy Efficiency Partnerships (19 utilities)

Drive Power Initiative

All electric utilities in Washington, Oregon, Western Montana and Idaho

Express Efficiency

Southern California Edison, San Diego Gas & Electric and Pacific Gas & Electric

National

Federal Energy Management Program

Local programs

Utilities in nine other states also offer programs

Energy efficiency is most important to consumers



According to a recently released study, U.S. consumers now rank energy efficiency as their most important consideration in shopping for new home appliances.

Primen, an independent energy market intelligence company based in Madison, Wis., conducted this research. The heightened consumer interest in energy efficiency marks a significant departure from findings in earlier surveys, when consumers said that price had the greatest impact on their purchasing decision, and ranked energy efficiency as having only moderate importance.

HIGHLIGHTS OF THE PRIMEN STUDY

Attitudes and Behaviors of Residential Customers About Energy Efficiency

Sample: 500 U.S. households in four U.S. geographic regions and California

75 percent said ...

energy efficiency was a very important factor in the purchase of appliances during the past year.

84 percent said ...

energy efficiency will be a "very important consideration" in making future purchasing decisions

56 percent said ...

they had seen efficiency-related advertising.

23 percent said ...

they would be willing to pay more (15 to 25 percent above the standard price) for higher-efficiency appliances.



For more information about this study, see the Primen web site at www.primen.com