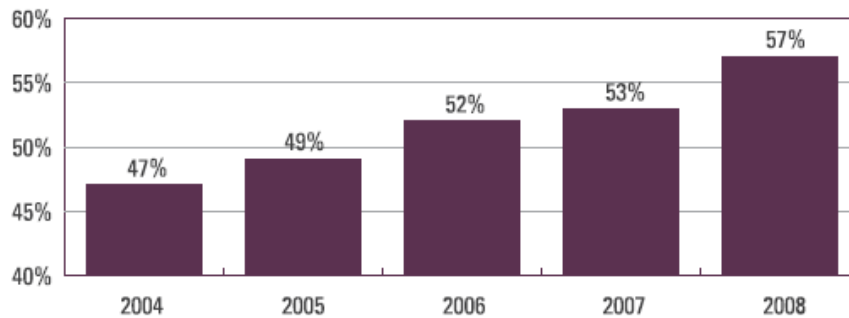


ENERGY STAR Window Market Share in Eight U.S. Regions

We conducted a survey of window retailers, distributors, and installers to determine the market share of ENERGY STAR windows in 2010 and 2011. ENERGY STAR windows are now eligible for federal tax incentives. These tax incentives were put in place in the *Energy Policy Act of 2005*, and renewed and revised several times since then.

When the tax incentive was put in place in 2005, nationwide ENERGY STAR windows market share was 49%. At the time, the incentive was \$200 for windows that met ENERGY STAR requirements. ENERGY STAR documents (Figure 1) contain information indicating that the market share of ENERGY STAR increased appreciably between 2004 and 2008, from 47% to 57%.

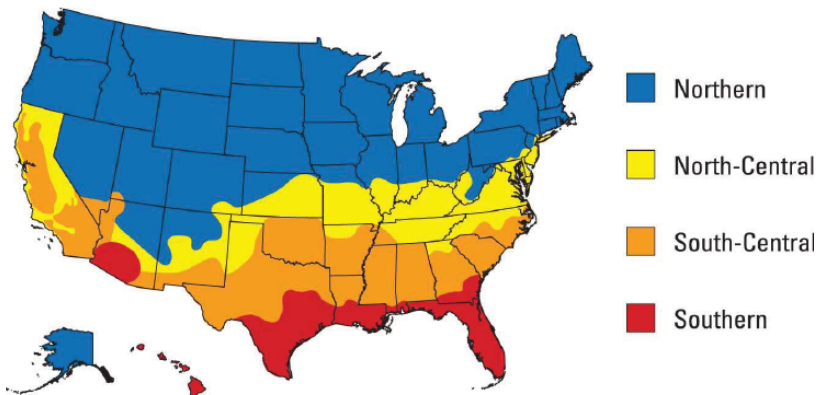
Figure 1. ENERGY STAR Market Share, 2004–2008



Source: ENERGY STAR 2009, http://www.energystar.gov/ia/partners/manuf_res/downloads/PartnerResourceGuide-LowRes.pdf

As of June 2009, only products with a U-factor and SHGC of less than or equal to 0.30 qualified for the tax credit (these levels are slightly more stringent than ENERGY STAR), but the incentive was increased to 30% of the cost, up to \$1500 per home. For 2011, the qualifying level was relaxed so that all ENERGY STAR windows would qualify for incentives, although with the original incentive amount of \$200 per home for windows.

Figure 2. ENERGY STAR Windows Regions



The survey included window installers and regional retailers in eight different regions — the four North-South ENERGY STAR windows regions (see Figure 2), divided into “east” and “west.” We interviewed ten windows retailers, installers, or distributors in each of the metro areas/regions. The respondents were chosen through a random search in the search engines Google, Bing, and Altavista, and yellow pages and super pages.

We asked the respondents: “Of the windows sold by your firm in (2010 or 2011), about what percentage were ENERGY STAR windows?” The simple average was 93% for all locations in 2010, with a slight decline in the market share of ENERGY STAR windows to 89% in 2011. A few outliers (less than 10% of the total respondents) found significant decline in market share of ENERGY STAR windows between 2010 and 2011, generally attributing the decline to the reduced federal tax incentive. A number of respondents noted that window sales are down in 2011 relative to 2010, but other respondents noted no change. Conversely, three outliers noted increases in the share of ENERGY STAR windows between 2010 and 2011. In general, most respondents noted no changes or only a slight change in ENERGY STAR market share between 2010 and 2011.

Table 1. Summary Results (simple average)

ENERGY STAR Windows Region	Metro Area	2010 % ENERGY STAR	2011 % ENERGY STAR
North (East)	Milwaukee/Madison, WI	98%	99%
North (West)	Portland, OR	89%	81%
North-Central (East)	Washington DC	95%	91%
North-Central (West)	San Francisco, CA	85%	76%
South-Central (East)	Atlanta, GA	96%	93%
South-Central (West)	Tulsa, OK	93%	91%
South (East)	Jacksonville, FL	87%	80%
South (West)	Houston, TX	99%	98%
Average		93%	89%

The results are generally consistent across regions, although there is some variation. The metro areas with the lowest ENERGY STAR percentages were San Francisco and Portland, and the metro areas with the highest ENERGY STAR market share were Madison/Milwaukee and Houston. In sum, ENERGY STAR windows enjoyed a significant market share in 2010 (93%), which slightly declined in 2011 (to 89%), due primarily to the much lower tax credit.

The American Council for an Energy-Efficient Economy is a nonprofit organization dedicated to advancing energy efficiency as a means of promoting economic prosperity, energy security, and environmental protection. For information about ACEEE and its programs, publications, and conferences, visit aceee.org.

The Alliance to Save Energy is a coalition of prominent business, government, environmental, and consumer leaders who promote the efficient and clean use of energy worldwide to benefit consumers, the environment, the economy, and national security. For more information, visit ase.org.

Appendix: Responses by Region

ENERGY STAR Windows Region	Metro Area	2010	2011	Notes
Northeast	Milwaukee/Madison, WI	98%	99%	
	Respondent #1	100%	100%	About 20% decrease in sales in 2011.
	Respondent #2	100%	100%	Didn't notice any changes in 2009 and 2010.
	Respondent #3	100%	100%	
	Respondent #4	80%	90%	Started out slower at beginning of 2011, and then picked up again.
	Respondent #5	100%	100%	Focusing more on other products, like gutters, because lower windows sales this year.
	Respondent #6	100%	100%	
	Respondent #7	100%	100%	
	Respondent #8	100%	100%	Tripled last year, and more in 2011.
	Respondent #9	100%	100%	
	Respondent #10	100%	100%	
Northwest	Portland, OR	89%	81%	
	Respondent #1	75%	0%	Haven't sold any in 2011 — all going for the "next step down."
	Respondent #2	90%	95%	This year, driven by Energy Trust of Oregon incentives.
	Respondent #3	100%	100%	Huge increase in sales in 2010, major decrease in 2011 because of lower incentive.
	Respondent #4	40%	25%	Decreased in 2011 largely because of the rigid requirements for ENERGY STAR.
	Respondent #5	95%	95%	
	Respondent #6	95%	95%	Tax incentive really boosted our sales.
	Respondent #7	100%	100%	"Dramatic" decrease in sales in 2011.
	Respondent #8	95%	95%	Some decrease in sales in 2011.
	Respondent #9	100%	100%	Tax credits were not a big motivator .
	Respondent #10	100%	100%	
North-Central East	Washington DC	95%	91%	
	Respondent #1	100%	100%	
	Respondent #2	100%	100%	Sales down big time this year.
	Respondent #3	100%	100%	
	Respondent #4	100%	100%	
	Respondent #5	95%	95%	
	Respondent #6	95%	90%	
	Respondent #7	95%	95%	Originally, high share of ENERGY STAR windows was result of tax credit, but now it continues to be high.

	Respondent #8	90%	90%	Matching \$200 tax credit with a rebate.
	Respondent #9	85%	50%	
	Respondent #10	90%	90%	
North-Central West	San Francisco, CA	85%	76%	
	Respondent #1	99%	99%	No difference in sales between 2010 + 2011.
	Respondent #2	95%	20%	
	Respondent #3	40%	15%	Lower sales this year because of changes to the tax incentive.
	Respondent #4	75%	85%	Attributes increase to "people are getting more money-conscious."
	Respondent #5	80%	80%	
	Respondent #6	99%	99%	This year it has dropped off significantly; sales are "way, way down."
	Respondent #7	100%	100%	No changes as a result of changes to tax incentives.
	Respondent #8	75%	75%	
	Respondent #9	90%	90%	Sales have gone down this year — was a huge boost for 2009–2010.
	Respondent #10	100%	100%	
South-Central East	Atlanta, GA	96%	93%	High sales at the end of 2010.
	Respondent #1	95%	95%	
	Respondent #2	100%	100%	
	Respondent #3	100%	100%	
	Respondent #4	99%	95%	Sometimes replacing window that did not have low E and it would look weird to do it now.
	Respondent #5	80%	55%	Tremendous decline in sales, monthly. "Need those guys in Washington to start caring about people who aren't overseas or purposefully not working."
	Respondent #6	100%	100%	
	Respondent #7	95%	90%	However, he used to do a lot of jobs that met the old tax credit rating (0.3/0.3). This year, most jobs meet ENERGY STAR (0.35 U-factor), but not 0.3.
	Respondent #8	100%	100%	
	Respondent #9	100%	100%	
	Respondent #10	90%	90%	
South-Central West	Tulsa, OK	93%	91%	
	Respondent #1	100%	99%	Sales are down big time this year.
	Respondent #2	98%	98%	

	Respondent #3	50%	50%	Selling much to contractors who don't care as much.
	Respondent #4	100%	100%	
	Respondent #5	100%	90%	Sales in 2011 down by about 50%.
	Respondent #6	99%	99%	Though there's confusion. Selling 0.32 window and not aware that it qualifies for tax credit (still 0.30/0.30 in mind).
	Respondent #7	90%	90%	
	Respondent #8	100%	100%	Sales are down in 2011.
	Respondent #9	95%	90%	
	Respondent #10	95%	95%	
South East	Jacksonville, FL	87%	80%	
	Respondent #1	85%	85%	Noted that it increased in 2010 from 2009.
	Respondent #2	100%	100%	Sold less in general in 2011, but all ENERGY STAR.
	Respondent #3	80%	25%	Difficult to determine for 2011, but she thinks about 25% so far.
	Respondent #4	99%	99%	"Almost every single window that we sell, in both years."
	Respondent #5	80%	65%	Change due to incentives changes.
	Respondent #6	98%	95%	Sales were definitely better last year.
	Respondent #7	100%	100%	
	Respondent #8	100%	100%	
	Respondent #9	50%	60%	
	Respondent #10	80%	75%	A drop because they used it to drive business last year, so there are less potential customers this year.
South West	Houston, TX	99%	98%	
	Respondent #1	100%	95%	Uses Jeld-wyn Vinyl and price for EE windows are not much more.
	Respondent #2	98%	98%	
	Respondent #3	98%	98%	
	Respondent #4	95%	95%	
	Respondent #5	100%	100%	
	Respondent #6	98%	98%	
	Respondent #7	98%	95%	
	Respondent #8	100%	100%	Very rare it's not ENERGY STAR. "We always try to get high E," but some of our competitors don't operate that way.
	Respondent #9	100%	100%	
	Respondent #10	100%	100%	