

ACEEE MARKET TRANSFORMATION CONF.  
APRIL 14, 2003



*New Home Labeling:  
Going Beyond Energy Efficiency*

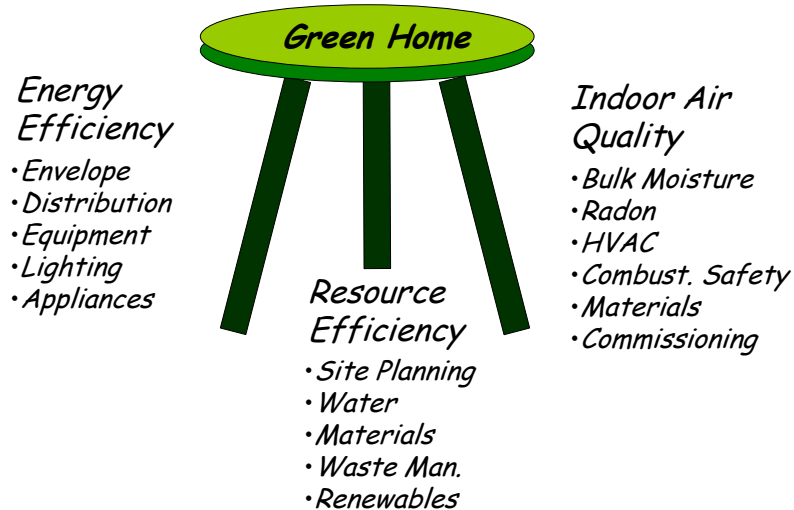
*Sam Rashkin  
National Director, E7NERGY STAR for Homes*

PREMISE...



*Options for labeling beyond  
energy efficiency  
fall within the "GREEN" umbrella.*

## WHAT IS GREEN?



## NEW HOME LABELING OPTIONS



### **Energy Efficiency:**

- Envelope/Equipment: ENERGY STAR Labeled Homes
- Lighting: ENERGY STAR Lighting HousePack (Draft)
- Appliances: ENERGY STAR Labeled Appliances

### **IAQ:**

- EPA/ALA IAQ Label: Fall 2003

### **Resource Efficiency:**

- Regional Green Programs: e.g., Atlanta, Austin, Denver
- National LEED Home: under development
- New Label Just for Resource Efficiency

ENERGY EFFICIENCY LABEL  
ENERGY STAR LABELED HOMES



- ***Voluntary***
- ***Credible***  
*Government-Backed Label*  
*Third-Party Verified*
- ***Truly Energy Efficient***  
*30% > MEC, and 15% > State Code*

ENERGY EFFICIENCY LABEL  
SELLING ENERGY EFF. PERFORMANCE



*Unless you're prepared to break the laws  
of physics, energy efficiency delivers:*

- *Lower Utility Bills;*
- *More Comfort;*
- *More Durability;*
- *Improved Indoor Air Quality; and*
- *Environmental Protection*

*...in other words, better performance.*

ENERGY EFFICIENCY LABEL  
SELLING ENERGY EFFICIENT COST



	<i>Monthly</i>	<i>Annual</i>
<i>Utility Savings</i>	<b>\$35</b>	<b>\$420</b>
<i>Added Mortgage</i>	<b>\$15</b>	<b>\$180</b>
<b><i>Cost Savings</i></b>	<b>\$20</b>	<b>\$240</b>

*...energy efficiency doesn't cost you money,  
it pays you money!*

ENERGY EFFICIENCY LABEL  
WHY SELL WITH ENERGY STAR?



- *Get credit for building truly energy efficient homes*
- *Recognition and awards for being a leading builder*
- *Turn-key marketing platform for energy efficient, high-performance homes*

ENERGY EFFICIENCY LABEL  
ATTRACT BUYERS WITH ENERGY STAR

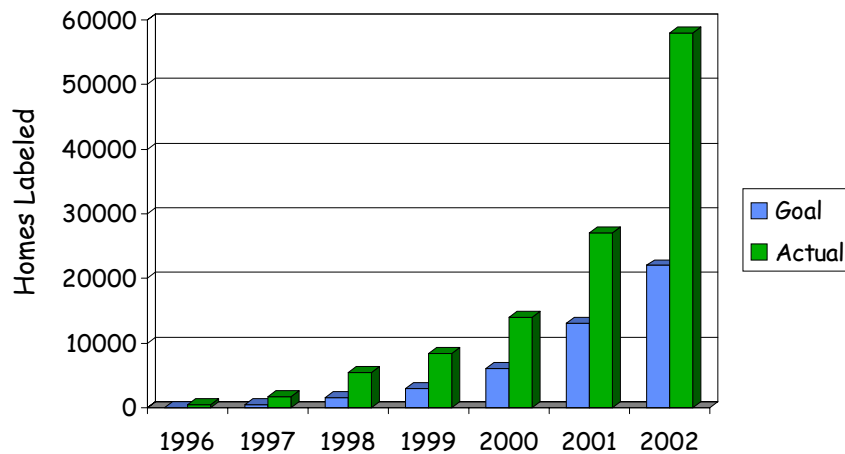


**Typical**

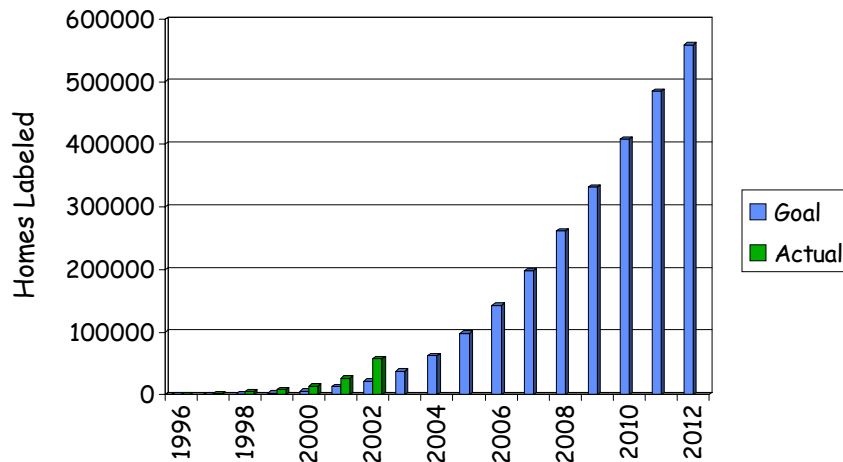
**Story + ENERGY STAR = More Buyers**

<i>Price</i>	<i>Govt.-Backed Label</i>	<i>Endorsement</i>
<i>Location</i>	<i>Energy Efficient</i>	<i>Cost Conscious</i>
<i>Facade</i>	<i>Building Science</i>	<i>Adv. Technology</i>
<i>Floor Plan</i>	<i>More Comfort/IAQ</i>	<i>Comfort/Health</i>
<i>Amenities</i>	<i>Improved Durability</i>	<i>Low Maintenance</i>
	<i>Reduced Pollution</i>	<i>Environmental</i>

ENERGY EFFICIENCY LABEL  
ENERGY STAR LABELED HOMES RESULTS



## ENERGY EFFICIENCY LABEL ENERGY STAR LABELED HOMES RESULTS



## ENERGY EFFICIENT LIGHTING LABEL ENERGY STAR HOUSE PACK DRAFT SPEC



### ***ENERGY STAR Hard-Wired Fixtures:***

- ***50% in High-Use Rooms:***  
*kitchens, dining rooms, family rooms, bathrooms, hallways, & stairwells*
- ***25% in Moderate-Use Rooms:***  
*bedrooms, den, office, basement, laundry room, garage, & all other rooms*
- ***100% of Ceiling Fans***
- ***50% of Exterior Decorative Fixtures:***  
*wall-mounted, or free-standing pole*
- ***100% of Exterior Flood Lighting***

ENERGY EFFICIENT LIGHTING LABEL  
ENERGY STAR HOUSE PACK PLAN



- **Lighting House Pack Draft Spec**  
*draft complete*
- **Tier-One Builders Field Test**  
*Diverse group of smaller/regional builders currently underway*
- **Tier-Two Builders Field Test**  
*ENERGY STAR large production builder partners Summer 2003*
- **National Roll-Out**  
*Winter 2003*
  - *Final Spec*
  - *Marketing Tools and Resources*

ENERGY EFFICIENT LIGHTING LABEL  
SELLING LIGHTING HOUSE PACK



**Back Room Close After Purchase:**

*The beautiful light and fixtures in this home are part of our **advanced lighting package** that also reduces annoying bulb changes and heat build-up to your home.*

*Quality Builders and your Home Town Utility **guarantee** this package will only add **\$10 more to your monthly mortgage** but **save you \$10/month energy cost** and **hundreds of dollars to replace lamps.***

ENERGY EFFICIENCY LABEL  
ENERGY STAR APPLIANCES



- *Refrigerator*
- *Dishwasher*
- *Clothes Washer*

IAQ LABEL  
WHY IAQ LABEL FROM EPA?



- *Minimize potential confusion that IAQ is addressed with ENERGY STAR*
- *Address IAQ risks with ENERGY STAR*
- *Fill void in IAQ label for production builders*
- *Build on EPA track record*



IAQ LABEL  
EPA STRATEGY FOR IAQ LABEL



- *Home must qualify as ENERGY STAR*
- *Brand IAQ with EPA, not ENERGY STAR*
- *Goal is meaningful spec, not consensus*
- *Feasible spec for production builders*
- *Get IAQ in the value proposition*
- *Educate builders on 'Best Practices'*

IAQ LABEL  
CRITERIA FOR EPA IAQ LABEL



- *Adequate Science*
- *Compatibility with Production Builder Construction Practices*
- *Cost Effectiveness*
- *Ability to be Clear and Enforceable Spec*

IAQ LABEL  
EPA/ALA HEALTH HOUSE LABEL



- *Moisture Control*
- *Radon/Pest Control*
- *Heating, Ventilation and Air Conditioning*
- *Combustion Safety*
- *Materials*
- *Commissioning*

IAQ LABEL  
SELLING EPA/ALA IAQ LABEL



*Think what you pay each day for bottled water or a cup of coffee...*

*Would spend **\$.50/day** for:*

- *Over 100,000 cf of fresh, filtered outdoor air*
- ***Additional protection against:***
  - *mold and mildew problems*
  - *radon exposure*
  - *harmful pests and termites*
  - *harmful formaldehyde and VOCs*
  - *combustion safety*
  - *wet basements*

RESOURCE EFFICIENCY LABEL  
GREEN BUILDER PROGRAMS





*Regional and Proposed LEED Home Labels*

- *Bundle Energy, IAQ, Resource*
- *Multi-Tier*

RESOURCE EFFICIENCY LABEL  
ARGUMENT AGAINST BUNDLING GREEN



<b><i>Attribute</i></b>	<b><i>Benefits</i></b>	<b><i>What We Sell</i></b>	<b><i>% Willing to Pay</i></b>
<i>Energy Efficiency</i>	<i>Better Perf. Lower Cost</i>	<i>Smart Purchase</i>	 <b>100%</b>
<i>Indoor Air Quality</i>	<i>Healthier Homes</i>	<i>Protect Your Family</i>	 <b>50%</b>
<i>Resource Efficiency</i>	<i>Better Environment</i>	<i>Badge of Honor</i>	 <b>4-6%</b>

*This is why so many businesses use market segmentation strategies.*

RESOURCE EFFICIENCY LABEL  
ARGUMENT AGAINST MULTI-TIERS



***Increasing attributes for buyers:***

*Energy Efficiency*  
*Indoor Air Quality*  
*'Smart' House*  
*Entertainment Packages*  
*Security Packages*  
*Advanced Lighting*  
*Appliance Packages*  
*Green*

***How many detailed metrics can be explained during the home sale process?***

***"A confused consumer never closes!"***

RESOURCE EFFICIENCY LABEL  
RECOMMENDATION



***National Resource Efficiency Label:***

- Establish metric for resource efficiency***
- Set a single Resource Efficiency threshold***
- To qualify as 'Green', homes must qualify for ENERGY STAR, EPA IAQ and Resource Efficiency Labels***

***... differentiation available using metrics to go beyond threshold.***

RESOURCE EFFICIENCY LABEL  
SELLING RESOURCE EFFICIENCY



***At no/minimal cost  
Your decision will save:***

- *Acres of old growth forests*
- *Acres of local forests*
- *Thousands of gallons of water*
- *Thousands of tons of landfill waste*
- *Tons of chemical pollutants*
- *Tons of air pollution*

GOING BEYOND ENERGY EFFICIENCY  
CONCLUSION



*New labels going beyond energy efficiency  
that seek mass market penetration  
should build upon the success and lessons  
learned from ENERGY STAR.*