

PRESIDENT'S QUOTE:

To our valued customers and industry peers:

I hope you enjoy the first of our new monthly "Energy Observer" newsletter. This newsletter is intended to keep you informed and up to date with the latest code changes, energy legislation, rebate information and any other pertinent information regarding the lighting industry and energy conservation.

Our new EcoTectural product line featuring the Evoke 2.9" Downlights and Cylindrix Track and Recessed Multiples are certainly doing their part to save energy while providing the look and performance vital for retail and commercial spaces. To find out more about these products please visit our website at www.amerlux.com.



Evoke 2.9"
Downlights



Cylindrix
Track



Cylindrix
Recessed Multiples

Please enjoy the "Energy Observer" newsletter and feel free to contact us with any suggestions or comments.

Sincerely,
Chuck Campagna

NATIONAL ENERGY ISSUES TO WATCH:

- DOE Completes its Five-Volume Series on Best Practices for Builders** - DOE's Building America program released last week the fifth and final volume in its handbook series on regional best practices for builders and homebuyers. The new volume, "Builders and Buyers Handbook for Improving New Home Efficiency, Comfort, and Durability in the Marine Climate," provides energy efficiency tips and outlines steps for builders in the marine climate zone to reach 30 percent energy savings in space heating and cooling and water heating. The previous four volumes addressed best practices in hot-humid climates, hot-dry and mixed-dry climates, cold and very cold climates, and mixed-humid climates. Download handbooks from the Website:
http://www.eere.energy.gov/buildings/building_america/for_builders.html
- Congress Extends Renewable Energy Tax Credit** - The production tax credit (PTC) for wind and other renewable energy technologies will be extended for one additional year - through December 31, 2008 - as part of a tax and trade policy bill passed during the closing hours of the 109th Congress. President George Bush is expected to soon sign the measure into law. The PTC, which was scheduled to expire on December 31, 2007, provides a 1.9 cent-per-kilowatt-hour (kWh) tax credit for electricity generated over the first ten years of a project's operation.
- One-Year Extension of Energy-Efficiency Tax Incentives a Positive (but Limited)** - The Congress did not include an extension of the federal income tax credit of up to \$500 for American consumers who make qualified efficiency upgrades to their existing homes. The tax credit, which is set to expire at the end of next year, helps defray homeowners' costs of energy-efficiency measures - from low-cost purchases such as insulation and sealants to more costly investments like new windows, furnaces, and central air-conditioners. The Alliance to Save Energy (AEE) plans to work with the 110th Congress to improve, expand, and extend the provisions for existing homes, in addition to seeking longer extensions for new homes and commercial buildings.
12/06 Buildings
- An Even Smarter Lighting System** - Hybrid solar lighting technology has the potential to drastically change the way you manage your facilities' power consumption. Holding the future of lighting in the palms of their hands, the researchers at Oak Ridge National Laboratory in Oak Ridge, TN, have the potential to drastically change the way you manage your facilities' power consumption. Their innovation is being hailed as the next big thing in commercial lighting. The technology? Hybrid solar lighting (HSL). The claim? It takes advantage of sunlight's positive aspects without the drawbacks associated with many of today's daylighting systems. HSL collects sunlight and transmits it via optical fibers into a building, where it's sent to a special fixture containing both electric lamps and fiber optics (hence the word "hybrid" - it refers to the use of both sunlight and electric light). Sensors maintain interior light levels by altering electric lights based upon the availability of sunlight.
12/06 Buildings
- LEED Deadline Extended** - The deadline for LEED for New Construction Version 2.0 and 2.1 projects using paper and CD-ROM certification submittals has been extended to June 30, 2007, announced the U.S. Green Building Council (USGBC).



12/06 Buildings

NATIONAL ENERGY ISSUES TO WATCH (continued):

6. **The Return of Energy Rebates** - Rebates for energy efficient upgrades are on the rise and the money trail starts online. To find rebates that apply to your area, start by checking your utility's Web site and chatting with your utility account rep. Even if rebate programs are run by a state energy agency, your utility will likely know about them and can offer guidance. Public utility commissions often have useful links at their Web sites and may be found for all utilities at <http://www.utilityconnection.com/> Find links to state energy agencies at <http://www.naseo.org/members/states.htm> Links to public utility commissions at <http://www.publicutilityhome.com/state.shtml> The National Association of Energy Officials "Public Buildings Manual" contains a brief state-by-state review of available energy incentives in public buildings http://www.naseo.org/committees/buildings/documents/NASEO_Public_Buildings_Manual.pdf To see a summary table of the program support being offered by any state, go here and choose your state: <http://www.aceee.org/briefs/mktabl.htm>

12/06 Building Operating Management
7. **Rebates Rebound** - The all-time high for state energy rebates was 1993, when the total available hit \$1.8B, according to the American Council for an Energy-Efficient Economy. They fell to \$900M in 1998 – and since that time, have risen to \$1.35B in 2003, a 50% gain.

12/06 Building Operating Management
8. **Lighting Control Systems Drive Energy Savings** - Lighting control systems have capabilities that were only dreamed of 10 years ago — and falling costs make them increasingly affordable. Advanced lighting control systems are estimated to reduce lighting energy requirements by 35 to 50 percent in most applications and in many cases, productivity can actually increase. And these savings are direct savings, resulting from using less energy to provide the desired lighting levels. Lighting control systems can also reduce peak demand charges by automatically dimming or switching off certain lighting loads during periods of peak electrical demand. Additional savings can be realized through less frequent lamp maintenance.

12/06 Building Operating Management
9. **Energy Utilities Face Unprecedented Challenge, Opportunity** - Time to Innovate - A growing cadre of thought leaders who are convinced that energy innovations will push the next wave of significant, worldwide social and economic change. Coming decades will be defined by a flowering of new energy technologies, just as computers and communications devices defined the recent past. Read this article in the current issue of EnergyBiz magazine or online at www.energybizmag.com.
10. **Industry Structure Debate Shifts Gear** - In the seemingly never-ending debate about restructured power markets, foes of restructuring have turned up the heat recently with a study that rebuts claims of benefits and assertions that momentum is building to turn the clock back to cost-of-service regulation. At the same time, proponents of restructuring are saying they've weathered the storm of political activity resulting from high power prices, they're steadfast in their belief that competitive power markets work better than monopoly regulation and they say the evidence is on their side. A few groups are trying to come up with their own plans for how to move beyond the current hybrid state of things: organized wholesale markets in some parts of the country, vertically integrated utilities in other parts and an assortment of state rules at the retail level.

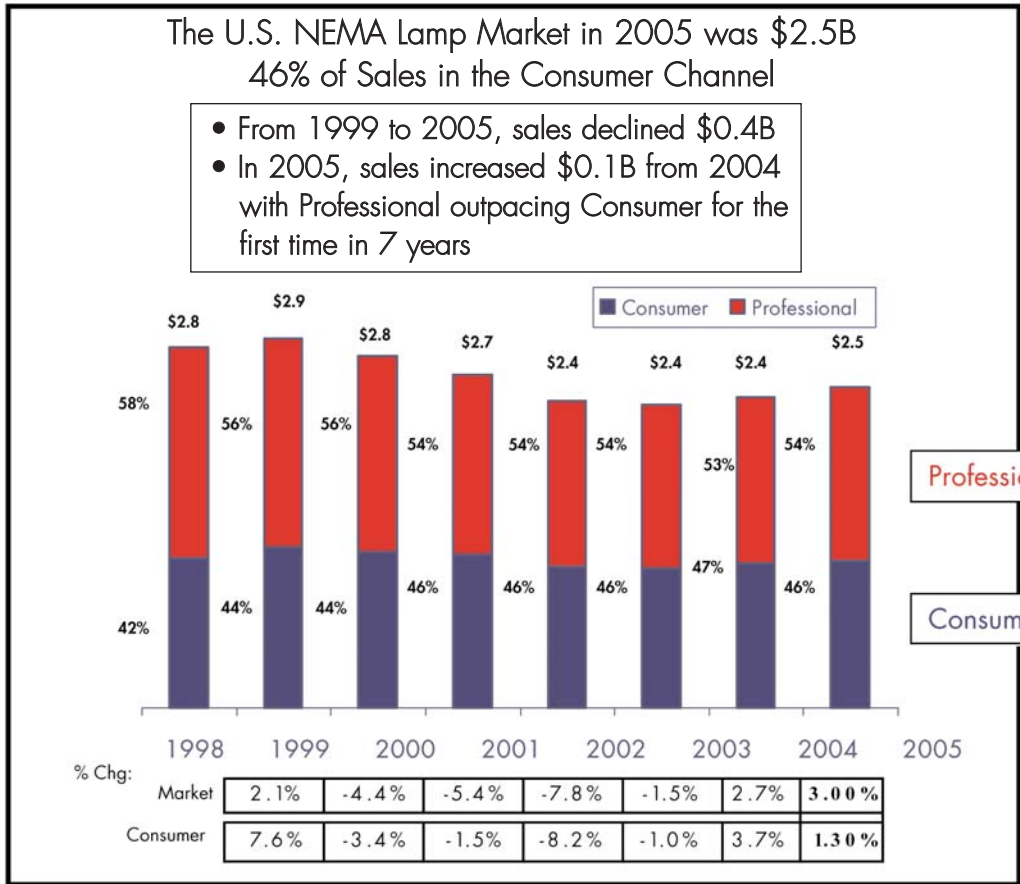
12/26 Platts.com
11. **DOE Study Finds Commercial LED Lamps Fall Short of Claims** - While compact fluorescent lamps (CFLs) are generally far superior to incandescent lights, many energy professionals expect solid-state lighting sources, such as light-emitting diodes (LEDs), to be the ultimate winner in energy-efficient lighting. Unfortunately, a DOE pilot test of four LED lamps has found that they all fall short of their claims. The pilot tests examined two "downlights"—the type of spotlight that is typically recessed into a ceiling—as well as a task light and an under-cabinet light. The test results, which protect the identity of the LED manufacturers, found that all four lamps fell far short of their claimed output in terms of lumens of light per watt of energy. The manufacturers claimed lighting efficacies of 36 to 55 lumens per watt, while the pilot test found efficacies of 11.6 to 19.3 lumens per watt, placing them below CFLs in lighting efficacy. The study suggests that manufacturers are relying on measurements of how much light an isolated LED produces versus how much the light an LED lamp actually delivers. See the test results: http://www.netl.doe.gov/ssl/comm_testing.htm
12. **Buyers Eye Energy Prices** - According to PurchasingData.com, energy prices are "back as the top concern" of purchasers heading into 2007. Almost three in five respondents (59%) saw prices heading higher.

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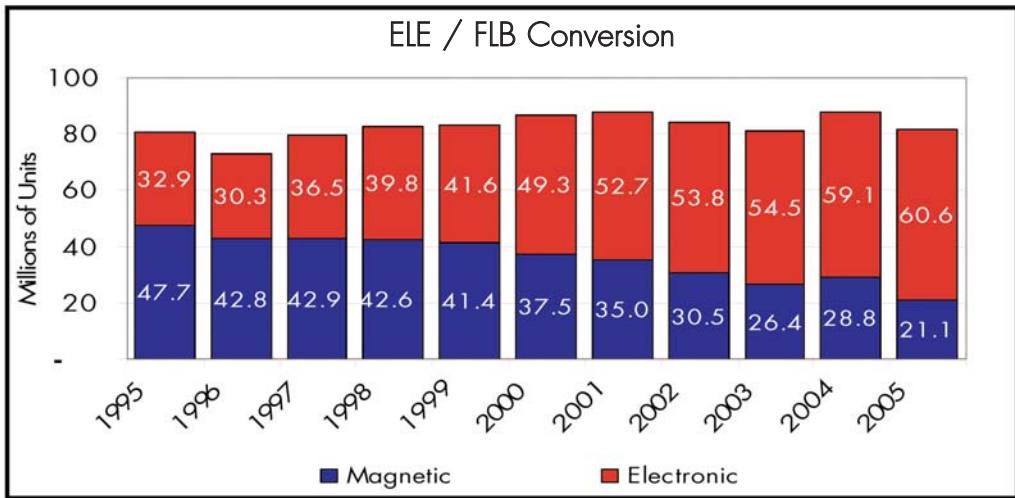
STATE ENERGY ISSUES TO WATCH:

13. **Operation Kill-A-Watt to Give Away an Estimated \$1 Million to Make New York City Buildings Greener** - Public Energy Solutions (PES) located in Englewood, NJ announced today the launch of Operation Kill-A-Watt in New York, a new program to help selected businesses and residents in Brooklyn, Queens, Manhattan and Westchester County reap the energy-cost saving benefits of "going green." PES is being contracted by Con Edison to manage their targeted load reduction program throughout the City. As part of the program, free energy-efficient lighting upgrades as well as cash back will be made available from PES to eligible building owners from now until February 15, 2007. www.publicenergysolutions.com
14. **N.Y. Blows Energy Goal** - New York State has fallen short of an early target in its multiyear effort to boost the use of wind power and other clean energy sources. The Pataki administration adopted a policy in 2004 to increase New York's reliance on renewable energy to 25 percent by 2013. The target for 2006 was to purchase 1.1 million megawatt hours of renewable energy. The state has fallen short of that goal by about a third. Industry and government officials note the lag reflects an evolving market and that the state could be back on target within a few years. 12/22 NY Post
15. **Boston Ready to Go Green** - Boston is expected to become the first major city in the nation to require private developers to adhere to a strict set of so-called greenbuilding standards, officials said yesterday. The standards will be required before permits are issued for all projects of 50,000 square feet or more. The goal is to make new buildings more energy efficient and environmentally friendly, by promoting, for example, use of efficient heating and cooling systems, recycled building materials, and careful separation and disposal of waste. 12/20 The Boston Globe
16. **Milford, CT Turns Up Heat on Conservation** - The Milford Redevelopment and Housing Partnership has teamed up with housing agencies in the region to examine ways their buildings can be made more energy efficient. The effort is one the largest of its kind in New England. The Milford Housing Authority has partnered with its counterparts in Stratford, East Hartford, Middletown and Vernon to hire Enlightened Energy Consultants LLC, of Maryland. The energy consultant will examine recent energy audits to determine where there could be potential savings by installing energy saving equipment such as new windows, boilers and lighting. The consultant will then aid the authorities in hiring contractors for the project and will work as a liaison with the U.S. Department of Housing and Urban Development. 12/25 Connecticut Post
17. **ConEdison Solutions Selected to Deliver Energy Efficiency Services to United States Postal Service** - ConEdison Solutions (CES), a leading energy services company, has been awarded an energy efficiency contract from the United States Postal Service (USPS). The contract calls for CES to implement energy efficiency improvements at more than 1,400 postal facilities in New York, New Jersey, and the Caribbean. The award, one of six such contracts under the postal service's Shared Energy Savings (SES) program, is part of a nationwide initiative designed to save \$11 million a year in energy costs over ten years, for a total savings of \$110 million. The six contracts have an estimated value of \$1.3 billion. Participating companies will receive a percentage of the dollar savings attributable to the projects in return for assuming implementation costs. 1/04 BUSINESS WIRE
18. **Taking the LEED: Greybull School Aims for Energy Efficiency** - For some, elementary school may conjure memories of long days in a creaky desk under the buzz of fluorescent lights, next to a clanking radiator. But with the planned opening next fall of a new elementary school in Greybull, WY the latest generation of students will learn in classrooms warmed by ground-source heat pumps and bathed in natural sunlight. Though many of the kids may not realize it, their new school will be the only one in the state built according to LEED standards. The school is designed for a silver rating. 12/27 AP
19. **Schwarzenegger Seeks Funding Boost for Technology Research** - Gov. Arnold Schwarzenegger on Wednesday proposed spending \$95 million to promote green, biomedical and nanotechnology research at the University of California, and to help state campuses compete for grants to launch alternative fuel programs and build the world's fastest supercomputer. The proposed funding amounts to only a fraction of the state's annual \$101 billion general fund. 12/28 AP

MONTHLY FEATURE: LAMP AND BALLAST TRENDS



Ballast Market Size - Fluorescent Ballasts



Source: U.S. Bureau of Census & NEMA (average)