

PRESIDENT'S QUOTE:

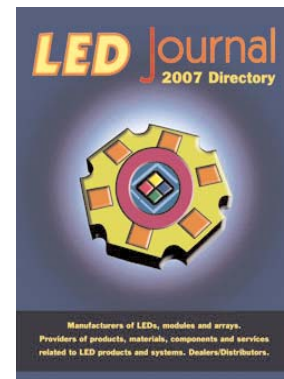
This February issue of the Energy Observer is packed with information on various energy legislation from around the country. The legislation and new energy proposals are evolving and developing at such a quick pace, it really is hard to keep up with them. We hope this valuable newsletter for keeping abreast of the energy initiatives helps you in managing projects around the country, as well as in your own backyard!

There is no doubt that the energy market is gaining momentum at a rapid pace. Amerlux Lighting Solutions is dedicated to bringing products to market that will help you meet code, save energy and provide the performance to meet the most demanding applications.

Sincerely,
Chuck Campagna
President & CEO

NATIONAL ENERGY ISSUES TO WATCH:

1. **Proposed 'Energy Efficiency Reserve Fund' Needed to Support Cost-Effective Investment in Efficiency Programs** - Creation of a Strategic Energy Efficiency and Renewables Reserve, as approved today by the U.S. House of Representatives, could provide critical and significant funding to advance energy efficiency and create a sustainable energy future for our country. Federal investment in energy-efficiency programs and tax incentives, including essential research, development, and deployment yield economic, environmental, and national security payoffs by significantly reducing energy demand in the near, medium, and long-terms. 1/18 ASE
2. **DOE Launches Energy Star for Solid-State Lighting** - DOE released draft Energy Star program requirements for solid-state lighting luminaires on December 20th. Solid-state lighting includes light-emitting diodes (LEDs) as well as organic LEDs, and DOE is establishing Energy Star requirements for solid-state lights as part of a national strategy to accelerate the market introduction of these products. The draft document set minimum requirements for earning the Energy Star label, including the minimum light output, efficacy, and warmth of the LED lights, as well as how well the light is focused upon its task for certain applications. The draft requirements are open to public review: http://www.netl.doe.gov/ssl/energy_star.html
3. **2007 LED Industry Directory** - The LED Journal is dedicated to the rapidly expanding market of light-emitting diode and solid-state lighting technology. The LED Industry Directory is an annual desktop reference guide for executives, managers and technical professionals that design, manufacture, service and distribute Solid State Lighting. Inside this high-quality publication is a comprehensive, industry-wide listing of LED designers, manufacturers, distributors, installers, suppliers, consultants, government agencies and information sources world wide - all indexed by numerous product and service categories to provide a useful resource guide. For a FREE listing: http://www.ledjournal.com/led_dir.htm
4. **USGBC Offers Incentives for Certifications and Registration** - U.S. Green Building Council is challenging the building industry to put them out of business. Beginning on Jan. 1, 2007, the organization is offering a full rebate for the certification fees for any project that earns LEED Platinum certification. This rebate opportunity applies to projects applying for LEED for New Construction, LEED for Existing Buildings, LEED for Commercial Interiors, or LEED for Core and Shell Platinum certification. All fees ordinarily paid to the USGBC will be refunded when the LEED plaque is awarded. To find out more about this opportunity, e-mail leedinfo@usgbc.org
5. **DOE Requests \$1.2 Billion for Office of Efficiency and Renewable Energy** - DOE announced on Monday that President Bush's Fiscal Year 2008 Budget requests \$24.3 billion for DOE, including \$1.236 billion for the Office of Energy Efficiency and Renewable Energy (EERE). The President's budget is meant to serve as a starting point for Congressional budget negotiations. 02/07 EERE
6. **Energy Efficiency Group Names the Year's "Greenest" Vehicles** - The American Council for an Energy-Efficient Economy (ACEEE) named the greenest cars of the year yesterday, with the release of the latest edition of the ACEEE Green Book Online:
 - 1st) Honda Civic GX
 - 2nd) Toyota Prius
 - 3rd) Honda Civic Hybrid
 - 4th) Nissan Altima Hybrid
 - 5th) Toyota Yaris



ACEEE rates the vehicles based on pollutant emissions, fuel consumption, and greenhouse gas emissions.

<http://www.greencars.com/bestof.html>

NATIONAL ENERGY ISSUES TO WATCH (continued):

7. **President Bush Signs Executive Order on Efficiency, Renewable Energy** - President Bush signed an executive order last week that mandates an increased use of energy efficiency and renewable fuels throughout the federal government. Executive Order 13423 calls for federal agencies to reduce their greenhouse gas emissions by cutting their energy intensity 30 percent, relative to their energy use in 2003, by 2015. New building construction and renovations must meet the Guiding Principles for Federal Leadership in High Performance and Sustainable Buildings, which include a target energy use of 30 percent below the average building performance for new buildings and a target that's 20 percent below the average for renovations. By 2015, 15 percent of each agency's building inventory must meet these Guiding Principles, which a number of federal agencies agreed to in early 2006. See the 2006 Memorandum of Understanding: http://www.energystar.gov/ia/business/Guiding_Principles.pdf
8. **Online Seminars from AEE** - These two programs are designed to provide energy and facility professionals with a fundamental understanding of the key provisions of the Energy Policy Act of 2005. Together they will examine both the tax incentive provisions for all types of facilities and the mandated energy efficiency and renewable energy requirements for federal buildings.
registrar@aeecenter.org

Energy Policy Act of 2005 Short Courses

Course 1: **Tax Incentives**

Earns 0.2 CEU / 2 PDH / 1 two-hour session

Course 2: **Federal Energy Efficiency & Renewable Requirements**

Earns 0.2 CEU / 2 PDH / 1 two-hour session

Register for either course separately, or for both courses. A substantial discount applies when you register for the two-course package.

New Program Starts **February 15**

Advanced Lighting Retrofit Options

An 8-Hour Distance Learning Seminar

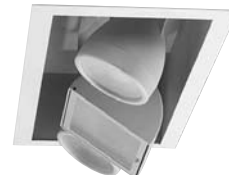
Earns 0.8 CEU / 8 PDH
Presented in 4 two-hour live online sessions

New Program Starts **February 20**

9. **Jim Lucy's Top Ten News Stories of 2006** - Electrical Wholesaling's December issue picks the most interesting electrical news in 2006:
- 1) Distributor Acquisitions Hit Record Pace
 - 2) Private-Equity Firms Court Distributors of All Stripes
 - 3) Record Copper Prices Pound the Electrical Market (Again)
 - 4) Home Depot Supply Buys Into Electrical Industry
 - 5) Global Sourcing of Electrical Products Takes Center Stage
 - 6) Housing Market Hits the Wall
 - 7) Commercial Construction to Sustain Industry Growth in 2007
 - 8) Energy Market Gathers Momentum
 - 9) March Continues Toward a More Digital Future for the Electrical Biz
 - 10) Who's Who at the Zoo: Industry Execs on the Move

10. **Semi-Recessed Adjustable Luminaires from Amerlux** - Delivering high performance, unparalleled energy efficiency and a clean, uncluttered look in today's retail environments, Amerlux Lighting Solutions introduced a new line of Multiple Semi-Recessed Adjustable luminaires, which are designed with the latest low-wattage, ceramic metal halide lamping.


1/07 E&PM



11. **Hawaii Schools Experiment with Ways to Save Electricity** - Students are learning to save energy in a competition between 14 schools to see how much electricity they can save in the next six months. The goal is to cut energy use by as 35 percent over the next five years. The schools are under pressure to cut costs as Gov. Linda Lingle has allotted only \$2 million in additional operating funds for the next two years, while the department has asked for nearly \$5 million. The DOE spent \$31.2 million on electricity last fiscal year, up from \$23.87 million in 2005. The department expects costs to rise to \$37 million next year.

1/15 The Associated Press

STATE ENERGY ISSUES TO WATCH:

12. **High-Performance School Standards Promote Energy Efficiency** - The Collaborative for High Performance Schools is spearheading a movement to build and design new California schools based on a forward-thinking energy-efficiency standard that reduces energy costs by 20 to 30 percent. A high-performance school must exceed the state's Title 24 building energy-efficiency standards by 10 percent in order to meet CHPS' prerequisite for the energy-efficiency category. A total of 16 school districts have passed resolutions to build all of their future schools to the CHPS standard. And at present, over 20 CHPS schools have been completed with a little over a hundred in progress. In addition, CHPS' design strategies have been adopted in other states, including New York, Massachusetts, Washington, Rhode Island, Vermont, New Hampshire, Maine and Connecticut. For more information, see www.chps.net
1/17 California Energy Markets
13. **PG&E Partners with San Francisco on \$11.5 Million Energy Watch Program** - They announced today a collaborative effort to deliver energy savings and energy efficiency education programs in the city and county of San Francisco. Running from 2006 through 2008, the \$11.5 million San Francisco Energy Watch program will provide incentive programs, training, education, and technical assistance for small businesses and residential customers.
02/06 PRNewswire
14. The California Energy Commission and UC Davis are the co-funding institutions for the California Lighting Technology Center (CLTC), established in 2004. CLTC's mission is to stimulate the development and use of high-efficiency lighting.
<http://cltc.ucdavis.edu/>
- 
15. **Albuquerque PNM Proposes Surcharge On Customer Bills** - Public Service Company of New Mexico is proposing a surcharge on customers' bills to raise \$7.5 million for conservation programs. The utility said it hoped to begin the program this fall to reduce the amount of electricity used and to manage demand to free more electricity during peak periods. PNM has proposed several energy-efficiency programs for customers, including encouraging homeowners to replace incandescent light with high-efficiency compact fluorescent light bulbs through a variety of discounts and rebates.
02/05 The Associated Press
16. **Customer Savings Add Up Under OPPD Program** - Increases in the cost of fuels like natural gas and petroleum have businesses looking for ways to save energy. Many are turning to programs at the Omaha Public Power District. OPPD reports that its energy conservation programs reached the \$1.5 million mark in annual savings to its customers in 2006. Three major programs are Continuous Commissioning, Commercial and Industrial Lighting, and a Ground Loop Heat Exchanger program.
www.oppd.com
17. **State Already on Path Bush Has Proposed for Energy** - In the future, your electric company might be sending you notes letting you know what you can do to conserve. Educating consumers about conservation – and the future of energy in America, a focal point of President Bush's State of the Union on Tuesday – is a goal of the Kansas Energy Council, which has recommended to the Legislature that electric utilities be required to send out such information on a regular basis. Senate Bill 128, which is up for a hearing next week, would require certain electric utilities to provide energy conservation information to consumers.
01/25 The Wichita Eagle
18. **ComEd Introduces New Web Tools to Help Homeowners, Businesses Save on Energy Bills** - To help customers transition off of the 10-year rate freeze, ComEd, unit of Chicago-based Exelon Corp, has enhanced its Customers Affordable Reliable Energy (CARE) Web site to include a number of tools to help customers manage their energy usage. The site now features a variety of new resources including home energy improvement how-to videos, a component for businesses, and a coupon for customers who conduct energy audits on their homes. After a 20 percent cut and 10-year freeze, electric rates have increased because the cost of energy has risen nationally, and ComEd's costs for conducting business have gone up.
http://www.exeloncorp.com/comedcare_main
19. **PUC: Program Saves Maine 74 Million Kilowatt Hours** - A state program that encourages energy efficiencies like better light fixtures saved Mainers the equivalent of the annual electricity needs of nearly 11,000 homes last year, the Public Utilities Commission said. The Efficiency Maine program works with businesses, schools, municipalities and tradespeople to help them make energy-efficient choices, such as upgrades to more efficient light fixtures and installation of more efficient refrigerators. For more information:
<http://www.energymaine.com>
02/01 AP

STATE ENERGY ISSUES TO WATCH (continued):

20. **Pennsylvania Governor Rendell Unveils Energy Independence Strategy to Save Consumers \$10 Billion Over 10 Years** - Citing the urgent need to cut energy costs, move toward energy independence and stimulate the economy, Governor Rendell today released his Energy Independence Strategy. The plan will push Pennsylvania into the top tier of states taking steps to cut consumer energy costs, and significantly expand the alternative fuel, clean energy and conservation sectors. The enactment of new laws, regulatory policies and the creation of the \$850 million Energy Independence Fund will enable Pennsylvania to achieve three key goals:
- Save consumers \$10 billion in energy costs over the next 10 years;
 - Reduce Pennsylvania's reliance on foreign fuels and increase Pennsylvania's clean energy production capacity; and
 - Expand Pennsylvania's energy production and energy technology sectors to create more jobs.
- 02/01 PRNewswire
21. **Governor Rendell Awards Grants to Help Small Businesses Improve Energy Efficiency, Cut Pollution** - Small businesses in Pennsylvania will be better able to become more energy efficient and help improve air quality with new state grants totaling more than \$185,000. The grants have leveraged \$342,022 in additional, private funds, nearly doubling the amount of the commonwealth's investment. The grants, awarded under the Small Business Advantage Grant Program, provide a 50-percent match of up to \$7,500 for equipment or processes that reduce energy consumption, promote pollution prevention and increase profitability. Since Governor Rendell launched the program in July 2004, more than \$2.8 million has been awarded to more than 500 businesses across the state.
- 02/01 PRNewswire
22. **Four Companies Pick Up Rights to Electricity from N.J. Power Plant** - General Electric today said four power companies have won rights to the electric capacity from a project to be constructed at its power plant in Linden. Winners of the three-month-long bidding process were Consolidated Edison Energy, NYC; Conectiv Energy Supply; Cargill Power & Gas Markets, Canada's largest gas marketing company; and a fourth company whose name was not disclosed. The project will be adjacent to an existing GE plant and provide an additional 300 megawatts of electricity transmission transfer capability from the Pennsylvania/Jersey/Maryland (PJM) Interconnection to the New York Independent System Operator (NYISO) grid serving the New York City metropolitan area. It will transmit power from PJM to NYISO via a cable 60 feet beneath the Arthur Kill waterway, a body of water that separates Staten Island, N.Y. from New Jersey. The cable will run from the Linden power plant to a substation in Staten Island.
- 01/31 NJBiz
32. **Siemens Financial Services and First Capital's Joint Venture** - Siemens Financial Services, based in Iselin, NJ, has formed a new company, Siemens First Capital Commercial Finance, in a joint venture with First Capital, a financial services firm in West Palm Beach, Fla. The goal of the joint venture is to further develop both companies' working capital and accounts-receivable financing businesses in the domestic and Asian markets. Siemens First Capital, with offices in New York and several other locations in the United States, will focus on cross-border asset-based financing between \$20 million and \$200 million by managing the collections and non-payment risk for Asian clients who are shipping goods into the U.S.
- 1/17 NJBIZ
33. **Delmarva Power Unveils Proposals to Lower Costs, Improve Reliability, and Enhance Energy Independence** - Delmarva Power, a public utility owned by Pepco Holdings, Inc. provides energy to customers in Delaware, Maryland and Virginia, today proposed an ambitious program that combines traditional energy efficiency programs with innovative technologies to help customers manage their energy use and reduce the total cost of energy. Last year Delmarva Power invested in web based, energy auditing software. That investment is already paying off for Delmarva customers who may monitor their own energy use and learn what changes might lower their costs. Today's filing outlined Delmarva Power's comprehensive complement of energy efficiency and demand side management programs. Business customers would receive financial incentives for using energy efficient equipment such as peak performing lighting and HVAC systems, and would be rewarded for reducing use during periods of peak demand.
- 02/06 PRNewswire
34. **Virginia Group Pushes Efficient Light Bulbs** - An environmental group is taking advantage of recent interest in Virginia's electricity needs by pushing an "enlightened" agenda. The Piedmont Environmental Council is advocating that households in Virginia switch to a more efficient type of light bulb - one that they say will save more than 5 million pounds of carbon dioxide pollution from power plants per year. The PEC has set up a Web site, www.enlightenva.org, where 3,850 people have already pledged to make the switch from incandescent light bulbs to CFL bulbs. Major retailers have also promoted the compact, spiraled light bulbs as an alternative to traditional bulbs.
- 02/06 McClatchy-Tribune Business News

STATE ENERGY ISSUES TO WATCH (continued):

35. **Study: Florida. Can Cut Consumption of Power Made with Fossil Fuels** - Florida can reduce its consumption of fossil fuel-produced electricity by nearly half over the next 15 years through conservation and renewable energies, a study released Monday said. It currently produces most of its electricity with non-renewable fuels such as petroleum, nuclear, coal and natural gas energy. It only gets 0.1 percent of its electricity from renewable resources, compared to a national average of 2.3 percent, the study said. The state is urged to spend \$250 million to \$350 million a year for 15 years to promote energy conservation and renewable energy. 02/05 AP
36. <http://electricshow.com/west/>



MONTHLY FEATURE:

COMMERCIAL BUILDINGS TAX DEDUCTION PROCESS MAP

www.lightingtaxdeduction.org

