

PRESIDENT'S QUOTE:

To our valued customers and colleagues;

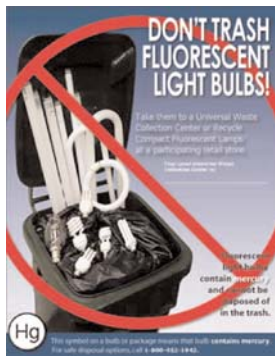
Energy efficiency and energy conservation are being discussed everywhere you go. It has been a long time coming and far overdue. Amerlux has been in the forefront of developing energy-saving lighting instruments and techniques for over 20 years. We have toiled in developing low wattage metal halide fixtures during that time and now finally the fruits of our labor are now being realized. That being said we have only started to scratch the surface in developing energy-saving, efficient, environmentally sound products that can be used in sustainable design. We are eagerly moving forward with new technology and knowledge to develop a new generation of lighting instruments to improve efficiencies and save even more energy.

Chuck Campagna
President & CEO

NATIONAL ENERGY ISSUES TO WATCH:

- Fluorescent Bulb Break Creates Costly Hassle** - On March 13, Brandy Bridges was installing one of the spiral-shaped light bulbs in her 7-year-old daughter's bedroom. Suddenly, the bulb plummeted to the floor, breaking on the shag carpet. Bridges, who was wary of the dangers of cleaning up a fluorescent bulb, called The Home Depot where she purchased them. She was told that the bulbs had mercury in them and that she should not vacuum the area where the bulb had broken. Bridges was directed to call the Poison Control hotline. Poison Control directed her to the Maine Center for Disease Control and Prevention and the Department of Environmental Protection. Upon reaching the DEP the next day, the agency offered to send a specialist out to Bridges' house to test the air levels. Bridges was told by the specialist not to clean up the bulb and mercury powder by herself. He recommended the Clean Harbors Environmental Services branch in Hampden. Clean Harbors gave Bridges a low-ball estimate of \$2,000, based on what she described, to clean up the room properly. The work entailed removing anything with levels greater than 300 ng/m³, including the carpeting. Officials have said that Bridges has little to worry about and she could easily clean up the bulbs by hand.

04/12 The Ellsworth American



- Group Issues Guidelines for Lamp Crushing** - The Association of Lamp and Mercury Recyclers (ALMR) has issues guidelines for drum-top crushing of mercury lamps. Earlier this month, the group presented the guidelines to the U.S. Environmental Protection Association and to all 50 states. "Drum-top lamp crushing is a widespread practice that remains surrounded by confusion. Some states don't allow it, and those that do have a mixed set of policies that don't assure the safe use of the technology or guarantee recycling," according to the ALMR. "Seeking clarity and uniformity, the ALMR has presented EPA and all the States with a set of Guidance Criteria, or Best Management Practices, to improve people's understanding and management of the practice." For more information, visit www.almr.org.
- Lamp Recycling Has Minimal Cost Impact, Firm Finds** - In January 2005, Trammell Crow Company began an effort to recycle fluorescent lamps in the MidAtlantic Division. Two methods were used to recycle and dispose of fluorescent lamps in office buildings. The first option involved purchase of a bulb crusher machine mounted on a disposal drum. The drum holds about 700 pounds of spent lamps; material in each drum is disposed of twice a year. The machine cost \$2,750 and the disposal cost is \$580 per year. The second option is a collection program sponsored by a licensed and permitted recycling depot that supplies boxes holding about 70 pounds of lamps each. These are shipped to the depot when full. The cost is about \$70 per box for shipping and disposal, with 20 boxes shipped per year, or 1,400 pounds a year. For a 300,000-square-foot building, 1,400 pounds of lamps comes to 214 square feet per pound. Disposal cost for option 1 is \$0.81 per pound (including the cost of the machine amortized over 5 years). For option 2 the cost is \$1.00 per pound.

05/21 FacilitiesNet
- Ikea Offers Free Lamp Disposal** - Just bring your used mercury containing light bulbs to the IKEA store for free disposal. Or for lamp disposal information for your state, go to <http://www.lamprecycle.org>

NATIONAL ENERGY ISSUES TO WATCH (continued):

5. **Fluorescent Fanatics Turn Me Off** – Opinion by Tom Scocca - (Sent to me by Gary Siegal of Hygrade Lamp who may be the only one I know who reads this magazine.) As a loyal American, I find myself ever more worried about the fate of incandescent lighting. The anti-light bulb campaign isn't creeping socialism – it's nanny-state capitalism: a cross ideological alliance to force market lousy products to the public. The left gets to see environmental virtue written into law; the right gets to see the negative consequences of that law fall on individual consumers, rather than, say, the power industry. The anti-light bulb crusaders like to point out that incandescent lighting technology is more than a century old, as if that helps settle things. So is basketball, if you're counting, and the Constitution is more than two centuries old. Incandescent light is not the most durable or efficient artificial light, it's just the best at lighting things up.
05/28 New York Observer
6. **New Research Shows Businesses Investing in Energy Efficiency Measures to Combat Rising Energy Costs** - Results from a first-time survey of North American business leaders indicate they expect energy prices to continue to rise, and plan to invest in energy efficiency measures to help fight rising costs. Despite the trend toward sustainability, executives cite a desire to decrease energy expenditures within their organizations as a greater motivator than environmental responsibility. The Johnson Controls Energy Efficiency Indicator research identified individuals from a wide range of facilities and locations who were decision-makers for energy management issues within organizations and asked how they were responding to rising energy costs, defined as electricity and natural gas costs.
05/23 PRNewswire
7. **Sixteen Cities and Five Banks Join Efficiency Effort for Buildings** - Sixteen of the world's largest cities—including Chicago, Houston, and New York—have joined in a global effort to reduce energy consumption in existing buildings. The Energy Efficiency Building Retrofit Program, a project of the Clinton Climate Initiative, will draw on \$5 billion in financing to be provided in equal amounts by five banks: ABN AMRO, Citi, Deutsche Bank, JPMorgan Chase, and UBS. The banks will finance cities and private building owners to undertake energy efficiency retrofits. Four energy service companies—Honeywell, Johnson Controls, Siemens, and Trane—will conduct energy audits, perform building retrofits, and guarantee the energy savings of the retrofit projects. The companies will be assisted by the American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) and the U.S. Green Building Council.
<http://www.clintonfoundation.org>
8. **DALI and the Promise of Digital Dimming** - Digital dimming can be used almost anywhere that analog dimming can be used, for the same purposes: visual needs, personal control, daylight harvesting, scheduling and other control strategies. If fluorescent dimming is desirable for a given application, digital dimming can offer distinct advantages related to intelligence, flexibility and two-way communication. This special report from the Lighting Controls Associations examines digital dimming technology and the DALI protocol.
Posted May 2007 http://www.aboutlightingcontrols.org/education/papers/2007_dali.shtml
9. **NAHB Addresses Congress on Green Building** - The National Association of Home Builders (NAHB) told Congress how its members are bringing green building to the mainstream by developing affordable, energy-efficient and environmentally friendly construction techniques. Additionally, NAHB and the International Code Council are working to establish the first national residential green building standard that will be certified and accredited by the American National Standards Institute.
05/16 HCN
10. **IBM Launches a Billion-Dollar Efficiency Effort for Data Centers** - IBM announced last week that it is redirecting \$1 billion per year across its businesses in an effort to dramatically increase the level of energy efficiency in information technologies. Big Blue's "Project Big Green" targets corporate data centers and includes a global "green team" of more than 850 architects of energy efficiency from across the company. According to IBM, an average 25,000-square-foot data center should be able to achieve a 42 percent energy savings. IBM currently runs data centers on six continents that encompass more than eight million square feet of floor space. Within the next three years, IBM expects to double the computing capacity of its data centers without increasing their power consumption. 05/16 EERE
11. **Five Lighting Technologies to Watch in 2007 by Craig DiLouie** - 04 ARCHI-TECH
 1. LEDs. LEDs are the hottest lighting technology to watch right now.
 2. Cutoff optics. Light pollution laws and LEED are making outdoor lighting that minimizes impact on the sky and neighboring properties more and more common. One solution is to use semi-cutoff, cutoff, or full-cutoff optics that limit the amount of light being emitted upward to varying degrees.
 3. Energy-efficient components. Energy codes are tougher on lighting power density. LEED-NC is now based on exceeding ASHRAE/IES Standard 90.1-2004, and efficiency is good lighting practice. A new generation of lighting components, which form the actual light-generating system within the light fixture, is enabling significant reductions in the total ownership cost of the lighting system for the owner.

NATIONAL ENERGY ISSUES TO WATCH (continued):

4. Daylighting. Thanks to the sustainable design movement, daylighting has re-entered the mainstream of construction. Daylighting is considered both an architectural and a lighting discipline, and also both an art and a science.
5. Lighting controls. Scheduling and/or occupancy sensors are now a mandatory component of lighting design due to prevailing energy codes, and fluorescent dimming is expanding outside its traditional domain of the conference room.
12. **Energy Efficiency is Fastest, Cheapest, Easiest Way for G8 to Cut Emissions** - Despite the enormous potential of energy efficiency to reduce greenhouse gas emissions and protect the planet from dangerous climate change, too many of the existing efficiency policies and measures in the G8 industrialized countries are ineffective according to a new World Wildlife Fund (WWF) report, *Making Energy Efficiency Happen: From Potential To Realization*. The report outlines what each of the G8 plus 5 countries can do to save energy and the climate while promoting their energy security with sustainable economic growth. The G8 plus 5 are the world's largest developed and developing countries, responsible for some 85 percent of global greenhouse gas emissions. The G8 are: Canada, France, Germany, Italy, Japan, Russia, United Kingdom and United States, with the European Union as an observer. The G5 are: Brazil, China, India, Mexico and South Africa. For a full copy of the report go to <http://www.panda.org/climate>
13. **Public Urges TVA to Promote Energy Conservation, Renewables** - The public is urging the Tennessee Valley Authority to make energy conservation and renewable energy priorities in the federal agency's strategic plans for the decade ahead. Among the objectives is developing simpler pricing mechanisms to "encourage conservation, reduce peak demand and volatility in rates." But "Don't brag about lower rates. The only way consumers will cut back on their use is if prices are jacked up." 05/24 AP
14. **Lighting & LEED** - "EE202: Lighting & LEED-NC v2.2" (NC stands for new construction) has been added to the Education Express program at www.aboutlightingcontrols.org. LEED, of course, is the U.S. Green Building Council's rating system. The new course "provides guidance about maximizing LEED points using the lighting aspects of LEED-NC."
15. **California, Connecticut, and Vermont Lead in Energy Efficiency** - The American Council for an Energy-Efficiency Economy (ACEEE) new report, "The State Energy Efficiency Scorecard for 2006," places the three states in a tie for first place because of their spending on energy efficiency programs, their efforts to set efficiency standards for buildings and appliances, and other energy efficiency programs that the states are involved in. Other leading states include Massachusetts, Minnesota, New York, New Jersey, Oregon, and Washington. <http://www.aceee.org/press/e075pr.htm>

STATE ENERGY ISSUES TO WATCH:

16. **Hundreds of Millions at Stake in CPUC Efficiency Incentives Debate** - Consumer groups and investor-owned utilities are clashing at the California Public Utilities Commission over hundreds of millions in proposed incentives that could be earned for administering energy-efficiency programs. The budget for 2006 through 2008 energy-efficiency programs is approximately \$1.9 billion, and the programs are expected to save ratepayers more than \$5 billion. According to testimony filed May 3 in the CPUC's energy-efficiency proceeding, IOUs have proposed earning annual incentives ranging from 15 percent to 28 percent of program costs, or collectively, about \$510 million a year for achieving 100 percent of CPUC-set targets for energy efficiency [R06-04-010]. 05/15 California Energy Markets
17. **California's History of Summer Blackouts May Now Be a Thing of the Past** - In a move state leaders say may well help make California's history of summer blackouts a thing of the past, the state has re-launched and restructured its Demand Response energy curtailment program, formerly known as the "Demand Reserves Partnership" (DRP), under the name, "Capacity Bidding Program," (CBP). Beyond the name change, officials say there has been a major effort to rid the program of the inefficiencies and disincentives that plagued it in the past - and kept participation down to a whisper - with one goal in mind: To leverage proven demand response strategies that have helped other cities and states keep the lights burning, when the threat of a power failure loomed. Demand Response is an electricity incentive program where large energy consumers are paid to give back a small portion of their non-essential energy supply to the energy grid in an emergency - by strategies such as shutting off non-critical lighting or barely used elevator banks, pre-cooling a building and switching to on-site generators. In New York, Massachusetts and other parts of the country, demand response programs have been credited with helping to avoid blackouts by kicking in needed supply during a power emergency, while also generating revenues totaling millions of dollars for the commercial, industrial and residential buildings that participate. 05/17 PRNewswire
18. **Iowa Establishes a \$100 Million Clean Energy Fund** - Iowa Governor Chet Culver approved two bills last week that establish a new state fund for clean energy research and development. The state will provide the new Iowa Power Fund with \$25 million per year for the next four years. The fund will support research, development, commercialization, and deployment of biofuels, renewable energy technologies, and energy efficiency technologies, while also seeking to cut greenhouse gas emissions. The fund will also educate the public about these technologies and will aim to increase the demand for them. 05/30 EERE



STATE ENERGY ISSUES TO WATCH (continued):

19. **Minnesota Act Sets Efficiency and GHG Goals while Boosting Renewables** - Minnesota Governor Tim Pawlenty signed a bill last week that establishes a goal for the state to cut its energy consumption by 25 percent by 2025. The Next Generation Energy Act of 2007 requires utilities and electric associations to set an annual energy-savings goal equal to 1.5 percent of their retail energy sales. To help utilities achieve their goal, the bill also sets a state goal of earning Energy Star labels for 1,000 commercial buildings and green building certification for 100 commercial buildings by the end of 2010. 05/30 EERE

20. **Honeywell to Help City of Quincy Cut Energy Costs by \$1 Million Per Year** - Honeywell today announced a \$32.8 million contract with the City of Quincy, Mass., for a conservation program that will reduce the city's energy costs, improve its buildings and cut green house gas emissions. The 20-year contract is the first of its kind for a Massachusetts city since the state passed legislation - Chapter 11 of the Acts of 2006 - that allows municipalities to enter into long-term energy saving projects. Honeywell will make numerous building infrastructure improvements as part of the program. This includes heating, ventilation and air conditioning (HVAC) upgrades in 40 buildings and boiler replacements in 9 buildings that will enhance operational efficiency and provide greater comfort to building occupants; roof replacement in six buildings, and other building envelope improvements including window and door replacement, insulation, caulking and weather stripping in more than 30 buildings; and a lighting retrofit that will update 18,000 outdated lamps and ballasts across city buildings with new energy-efficient fixtures. 05/18 BW