

# An industry at the heart of energy solutions

*The trifecta of energy efficiency—energy cost savings, a cleaner environment, and a reduction in fossil fuel use.*

You don't have to be OPEC to affect the price of oil. All you have to do is find a way to reduce demand. NEMA may not be able to make the winters of New England milder, but its members can—and in fact do—significantly contribute to a reduction in energy use through the proliferation of energy efficient products.



**James Campbell**  
President and CEO  
GE

NEMA's recent selection of energy efficiency as one of the association's top strategic initiatives should have come as no surprise. The electrical manufacturing community stands at the very heart of attempts to achieve a reduced dependence on fossil fuels, a cleaner environment, and a higher standard of living across the globe. Energy efficient technologies exist. NEMA companies produce them. What we must strive for is wider recognition of the role the electroindustry plays in promoting a more energy efficient society.

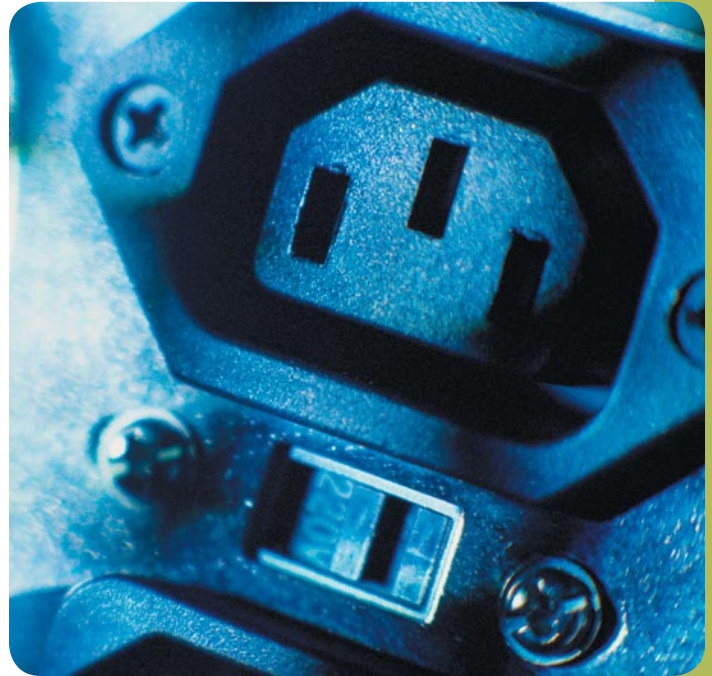
For example, policymakers and the public at large should know that numerous off-the-shelf electrical products available today are cost effective investments. Buildings consume about half of the energy used in the United States. Retrofitting buildings with state-of-the-art lighting and climate control systems can save 50 percent or more of the current building energy use; new buildings can save even more.

In fact, the nation has about 100 billion square feet of existing commercial buildings, and about two billion square feet is retrofitted annually. Retrofitting with the best off-the-shelf products can double our energy savings, but adds a couple of years to the payback period.

Some building owners are reluctant to pull the trigger as a consequence. Financial incentives, such as tax deductions, however, can render the payback comparable to a typical retrofit. Politically, the incentives can be justified by the subsequent reduction in energy use and lower utility bills for the consuming public. About two billion square feet of new commercial buildings enter service each year. Because the design is not constrained by the existing overall building and room dimensions, these buildings can be far more efficient than retrofit buildings and accommodate a wider variety of energy efficiency solutions such as daylighting and renewable energy.

NEMA has taken the lead in developing and advocating national product energy efficiency standards; federal tax and state incentives for energy efficiency; research and development for new energy efficiency technologies; and public awareness campaigns for energy efficiency. We have worked with the Congress, the Department of Energy, the Environmental Protection Agency, and environmental groups to reach consensus positions in the public interest.

Of course, we can't do this alone. Hyper-growth economies in China, India, and elsewhere are driving new energy consumption that rivals that of the developed nations. These emerging markets have contributed significantly to skyrocketing fuel costs and increased environmental strains. The association is already working in China and India



to foster the spread of energy efficient equipment and systems. Efficiency gains in these growing economies mean a better environment worldwide and a reduced competition for scarce world resources. Eastern Europe is also ripe for faster introduction of energy efficient technologies. As the global economy and population grows, all countries will need more energy. The hunt for cleaner and more efficient alternative energy sources will continue over the decades, but we can make a significant impact right now. A recent Environmental Protection Agency report shows that Americans in the last year, with the help of the Energy Star energy efficiency program, have reduced their electricity demand by about four percent, prevented greenhouse gas emissions equivalent to those from 23 million automobiles, and saved more than \$12 billion on their energy bills. That is a good start, but it is just the beginning of a long, but necessary journey here and abroad. 



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