

National Automobile Dealers Association's Energy Stewardship Initiative

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Director, Environment, Health, and Safety, NADA**

**Room 428-A, Russell Senate Office Building
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Good morning, I am Douglas Greenhaus, NADA's Director of Environment, Health and Safety. NADA represents 20,000 franchised automobile and truck dealers who sell new and used motor vehicles and engage in service, repair and parts sales. Together these dealerships employ in excess of 1,300,000 people nationwide, yet a significant number are small businesses as defined by the Small Business Administration.

Like many small businesses, utility bills represent a significant overhead cost for automobile and truck dealerships. Several years ago, as energy costs began to climb steeply in many areas of the country, NADA began to consider how, as a national trade association, it could assist its members with controlling, if not reducing, energy costs. We soon discovered that, while there were many resources available to communicate energy conservation strategies in general terms, nothing out there really addressed the specific needs of motor vehicle dealerships. Given that many dealerships are small businesses lacking internal energy management expertise, we decided to move forward with the development and implementation of an energy management educational effort aimed specifically at dealership operations and facilities.

In 2006, NADA began working with the Environmental Protection Agency's (EPA) ENERGY STAR program to develop and distribute a comprehensive educational Guide for dealerships. Entitled *Putting Energy into Profits*, this 36-page manual contains numerous specific suggestions on how to improve the efficiency of both new and existing dealership facilities and operations. Much of this information is based on data collected during energy audits conducted at actual dealerships.

This past January, NADA and ENERGY STAR jointly launched the *Energy Stewardship Initiative* at the 2007 Washington Auto Show down at the D.C. Convention Center. The *Initiative* now provides unique data, tools, and strategies designed to assist dealerships with the implementation of improved energy practices and technologies. ENERGY STAR, our partner in this effort, estimates that if dealerships nationwide reduce their energy consumption by 10 percent, they could save nearly \$193 million, and prevent more than one million tons CO2 emissions annually.

So how does the *Initiative* actually work?

First, we encourage dealerships to demonstrate their commitment to improving their energy efficiency by joining the ENERGY STAR Small Business Network. Dealerships that sign up receive bimonthly ENERGY STAR e-updates and are free to make use of ENERGY STAR's promotional mark.

Second, NADA encourages dealerships to actively engage in cutting energy use through the ENERGY STAR Challenge; a commitment to improve the energy efficiency of their facilities and operations by 10 percent or more. This involves two main steps:

1. Determining how much energy they use. ENERGY STAR's online tool, *Portfolio Manager*, allows dealerships to easily baseline monthly energy use and to track reductions over time.

2. Making energy efficiency improvements. In addition to the *Putting Energy into Profits* Guide, ENERGY STAR created www.energystar.gov/autodealers, a unique dealership Web page, offering a wealth of information including a database of ENERGY STAR-certified products.

To date, more than 500 dealers have signed on to the ENERGY STAR Small Business Network. Moreover, since January NADA and ENERGY STAR have put on a half dozen online seminars on energy saving strategies and on how to use *Portfolio Manager* for more than 175 dealerships. Notably, dealerships that improve their energy efficiency by at least 10 percent will receive formal recognition.

NADA has set up its own Webpage, www.nada.org/energystar, to serve as a home base for all things related to the *Energy Stewardship Initiative*. This Webpage links to articles on energy efficiency best practices and to actual case studies of dealer initiatives that have resulted in lower energy costs and reduced GHG emissions. The July 2007 issue of NADA's trade magazine, *AutoExec*, entitled "The Green Issue," contained articles such as "The Green Store", "Cutting Lighting Costs", "Recycling Everything" and "Green Buyers' Guide".

Dealerships participating in the *Initiative* have won awards for doing so. Last April, for example, Hill International Trucks of Washington, PA won the NADA/USA Today Dealer Innovation Award in recognition of such strategies as:

1. Installing efficient waste oil furnaces with an ambient floor heating system.
2. Recycling vehicle wash water.
3. Using light-colored roofing material to reflect solar heat.
4. Building a facility with air-locked door systems and dual pane tinted glass.
5. Implementing cost-saving fluorescent and metal halide lighting schemes.

Just last month, three out of the eight winners of ENERGY STAR's 2007 Small Business and Congregation Awards were motor vehicle dealerships, and NADA itself received a Special Award for Excellence in Energy Efficiency from the ENERGY STAR program.

To conclude, NADA's *Energy Stewardship Initiative* is important example of how trade associations can successfully partner with government to identify the key tools and incentives necessary to effectively achieve environmental improvements, while lowering costs, and all without legislative or regulatory mandates. This model approach works best with those small business dominated sectors of our economy who increasingly account for the overwhelming majority of new jobs, new growth, and new technology innovation in this country, but who often lack for internal expertise and/or resources.

Before I thank you all for your attention, please allow me to point out some NADA and Energy Star staff in attendance.

Fast Facts:

Who: National Automobile Dealers Association (www.nada.org)
Contact: NADA Regulatory Affairs, (703) 821-7040

What: *Energy Stewardship Initiative* (www.nada.org/energystar)

Designed to encourage increased energy efficiency among NADA's 20,000 automobile and truck dealership members
Over 500 dealers signed onto the ENERGY STAR Small Business Network
Over 175 dealers have participated in NADA/ENERGY STAR online seminars

Why: Utility bills represent a significant dealership overhead cost. Dealerships can save money and help protect the environment protection through energy efficiency improvements. By reducing energy consumption by 10 percent, dealerships could save nearly \$193 million while preventing more than one million tons of CO2 emissions annually.