Empire State Building Press Conference
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I would like to start with some comments of appreciation, first by thanking President Clinton for his leadership of the Clinton Global Initiative. We have worked on many Clinton Climate Initiative projects around the globe and really see first hand the significant impact that this program is having.

I would also like to thank Mayor Bloomberg, for the leadership of this great city, particularly in the area of sustainability.

Finally, I would like to thank the owners of the Empire State Building, for having the vision and the commitment to make the world's most famous office building a world leader in energy efficiency and sustainability.

Johnson Controls has been a world leader in providing energy efficiency products, technologies and services for buildings since the invention of the room thermostat by our founder in 1883.

On behalf of Johnson Controls, it is a privilege to be a partner on the Empire State Rebuilding initiative, and having the opportunity to work within an environment of innovation and collaboration to develop a new approach for bringing large-scale energy efficiency retrofits to existing commercial office buildings.

Through this project we have proven that you can teach an old building new tricks and cost effectively move it to the top 10% of all commercial buildings in energy efficiency.

The model developed through this project addresses many of the long standing barriers to undertaking large-scale energy efficiency retrofits in commercial buildings and we believe that this new model is one that is able to replicated across large commercial office buildings globally.

The Empire State Building, the world's most famous office building, represented the perfect multi-tenanted office building to demonstrate how these barriers can be cost effectively overcome. Previous speakers have explained what we did to enable a 38% reduction in energy use, I will focus on three of the many innovations developed over the past year, the three that we believe are the most important to the replication of this model.

The first of these innovations was the development of a process for system-level, as opposed to component-level, optimization

This process started with the determination of the theoretical minimum energy use for the building leveraging the teams' collective knowledge of all possible energy efficiency improvement measures.

The next step was the creation of a state of the art computer model that was able to simulate the energy performance of the virtually infinite number of combinations of the identified improvement measures and then evaluate them from both a carbon reduction and financial return perspective.

This allowed us to identify the optimal combination of improvement measures with reference to the baseline planned building retrofit cost and the overall requirements of the project.

The Second of these innovations was to go beyond base building energy efficiency improvements taking energy efficiency into the tenant space

For this project the building and tenant space improvements each contribute about half of the energy savings. Through existing structures the building owner is able to capture the full value of the energy efficiency investments on the building side.

On the tenant side an innovative, web-based tenant energy management system is being introduced which measures energy use and provides tenants with information and advice to allow them to make smart decisions and optimize the energy use in their workspaces. In addition, tenant fit-out design standards and a number of green pre-built office suites are being constructed which provide 'out of the box' high-performance tenant workspaces that are both energy efficient and cost effective.

The third of these innovations relates to the enhanced access to project financing
With Johnson Controls guaranteeing the energy savings through a performance contract, and the increased attractiveness of a high performance building we have opened up the opportunity to secure third party energy efficiency financing. While not required for the Empire State Building project, this will be critical to the broader adoption of this model.

From a national policy perspective, we believe that Federal loan guarantees that would secure third party investments for projects such as this would stimulate significant new investment in energy efficiency projects supporting the widespread adoption of this model in commercial buildings across the country.

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Once again, the Empire State Building is setting a goal towards which commercial buildings around the world can aspire. If all commercial buildings in New York City followed the model developed for this project there would be a reduction in carbon emissions of over 4.5 million tons p.a., equivalent to that generated by a typical coal fired power plant. Expanding the program globally, the need for an additional 260 power plants could be eliminated.

It is critical that we tap into this huge reservoir of potential energy efficiency to meet our energy needs, reduce greenhouse gas emissions, save money and create jobs.

It has been stated that energy efficiency is the fifth fuel. We respectfully disagree; we believe that energy efficiency should be considered the first fuel and our top priority. We need to focus on energy efficiency now…it has never been more important.

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