

## Nomination for "Galaxy" Star of Energy Efficiency – The Kroger Co. (Kroger)

Headquartered in Cincinnati, Ohio, Kroger is the nation's largest traditional grocery retailer, employing more than 338,000 associates who serve customers in 2,439 supermarkets and multi-department stores in 31 states under two dozen local banner names. For more information, please visit [www.thekrogerco.com](http://www.thekrogerco.com).

Having successfully installed over 400,000 LED lighting sticks in glass door freezers in 2009 and 2010, Kroger invested several million dollars in additional LED fixtures in 2011 to replace older lighting in walk-in coolers and freezers, and on shelves displaying fresh meat. Completing nearly 1,100 stores in 2011, Kroger plans to complete installation in ALL 2,439 stores by the end of 2012. In addition to reducing lighting and refrigeration load, the LED's lower our maintenance expense, and enhance product quality – and our Customers LOVE the sparkle!

Once these walk-in and meat shelf LED's are installed, Kroger will cut annual electricity by another 50.3 million kWh - enough electricity to run over 4,575 single family homes or nearly 20 average size Kroger stores (60K SF). Environmental benefits include both a lower carbon footprint, and avoiding the creation and disposal of hundreds of thousands of fluorescent lamps every year.

Retrofitting over 2,400 stores of varying ages that contain many different cases and fixtures is challenging, but Kroger Energy worked diligently with store personnel, case and LED vendors, and installation contractors to define the safe installation technique for **every** case and store.

Kroger also worked with several utilities to collect incentives to help offset first cost; in exchange Kroger shared technology and practices that will help other groceries save energy. For this Kroger received awards from several utilities, including Duke Energy, American Electric Power and Xcel Energy.

These LED projects continue Kroger's tradition of excellence in energy efficiency. Since 2000 Kroger has reduced its average electricity usage in all stores by over 30% (30.7% through Dec 2011) through deploying energy efficiency equipment, improving store and fixture design, undertaking e-commissioning and improved maintenance practices, and educating Store Associates about energy savings. Kroger plans to deploy more energy efficiency projects and programs well into the foreseeable future, using creativity and ingenuity to find new ways to save energy in the grocery business.

For example, in 2011 Kroger collaborated with one of its vendors, Heat Seal, to redesign the "wrapper-sealer" machine designed to wrap products in plastic (ex - fresh meat). Through this collaboration, the parties designed a machine that does the same job but uses an estimated 75%-80% less electricity. This will save Kroger nearly \$1.5M worth of electricity annually once Kroger deploys the machines beginning in spring 2012.

Kroger's success in reducing energy usage supports our Company's **Customer First** initiative and commitment to environmental stewardship and sustainability. For its most recent LED retrofit projects - and for sustained energy efficiency over many years - Kroger has proven itself to be a "Galaxy Star of Energy Efficiency."