

PUBLIC REPORT TEMPLATE 2012

Part 1 - Corporation Details

Controlling Corporation

Insert the name of the Controlling Corporation exactly as it is registered with the EEO Program.

Myer Holdings Limited

Declaration

Declaration of accuracy and compliance

The information included in this report has been reviewed and noted by the board of directors and is to the best of my knowledge, correct and in accordance with the *Energy Efficiency Opportunities Act 2006* and *Energy Efficiency Opportunities Regulations 2006*.



Bernard Brookes

Chief Executive Officer and Managing Director

Date 2/12/12



Part 2 - Assessment Outcomes

Myer is not required to complete Part 2 of this report

Part 3 – Transition to Second Cycle

Status of opportunities identified to an accuracy of better than or equal to $\pm 30\%$		Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
			0 – 2 years		2 – 4 years		> 4 years		
			No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
As reported in December 2011	Under Investigation	0							
Business Response as at 30 June 2012	Implemented	1	1	4,483	1	8,307	-	-	12,789
	Not to be Implemented								
	To be evaluated/reported in the second cycle								

Please note:

- The data in this table is carried forward from the first public report and reflects the savings initially estimated for the project
- Outcomes of the project will continue to be monitored and reported during the second EEO cycle.

Replacement of high energy-use lamps across Myer retail stores was identified as a significant opportunity through EEO assessments conducted in June-September 2008.

Stage 1 - During financial year 2009, the Myer business replaced halogen PAR 38 lamps for LED lamps across six stores nationally, which represented the highest consumption / use of this type of halogen lamps. Approximately 7,000 units of PAR 38's were replaced with LED lamps across these six stores to trial the benefits of this relatively new technology.

During financial year 2010 the business completed a post-implementation review of the project prior to proceeding with further sites, which reviewed energy savings, product reliability and suitable optics. As part of this review, the business undertook scientific testing and metering of energy savings at the Myer Frankston store, in order to measure energy reduction capability of the new LED lamps. Test results supported manufacturer claims of reduced energy consumption, and it was proven that the performance of the new LED lamps would achieve the projected energy reduction and cost savings to the business, detailed in the initial business case.

Stage 2 - During financial year 2011, the business approved the expenditure of over \$4m, towards the replacement of approximately 21,500 Halogen 100W PAR 38 lights to LED in 31 stores and a further second opportunity to replace approximately 48,000 units of the 30W Halogen dichroic lamps across an estimated 60 Myer retail stores. The implementation commenced in October 2011. The objective of the program was to reduce energy consumption by 13.7m kWh p/a and in turn energy costs, improve the quality of lighting in store, reduce the number of lamp changes and maintenance costs by reducing the number of 'short life' halogen lamps in Myer retail stores and lastly, improve Myer's social and environmental contribution by reducing carbon emissions by approximately 147,000 tonnes.

Final scope execution: Installation program commenced in October 2011 and was completed by February 2012. Approximately 21,000 PAR 38 LED units were installed across 34 stores and approximately 40,000 Dichroic LED units were installed across 54 stores.

Progressive results to date:

Myer has seen a reduction in energy consumption since the roll-out of the lighting project, although the exact reduction attributable to the project is not available due to lack of sub-metering and other factors that may have affected energy use in the period such as vertical transport (i.e. lifts and escalators), heating, cooling and ventilation.

The table below provides the consumption and cost reduction for the 9-month period October 2011-June 2012, and the expected financial year impact based on current trend. From October 2011 to June 2012, an 11% reduction in total energy consumption was achieved, reflecting an actual saving (using original business case kWh unit costs) of \$1.523m for that nine-month period, or \$3.137m by applying the current kWh rate. The first full year of business benefits from the full project rollout, which was completed in February 2012, will be reviewed at the full year anniversary of the project by February 2013.

	Oct to June Consumption (kWh)				Saving using different cost rates	
	Oct 2010 – June 2011	Oct 2011 – June 2012	Change	% Var	Original business case rate	2012 rate (up from original business case)
9 month report (to June)	146,690,195	131,038,706	15,651,489	11%	\$ 1,523,219	\$ 3,137,984
Expected (12 months)	195,586,927	174,718,275	20,868,652	11%	\$ 2,030,959	\$ 4,183,979

Although the above savings cannot be accurately and wholly attributed to the lighting project alone, the following expected savings based on lamp specifications were forecast prior to project implementation during business case development:

The following expected savings based on the replacement of the halogen PAR 38 lamps were forecast prior to project implementation:

- Annual savings of 8,600,000+ kWh of energy with estimated energy and maintenance savings of over \$1.3m (based on May 2011 variable electricity costs);
- Savings of 100,000,000+ kWh of energy over 50,000 hour LED life with estimated energy and maintenance savings of \$13.1m (based on May 2011 variable electricity costs);
- Myer estimates that this project will prevent the discard of over 500,000 lamps into landfill over the next 11 years.

The following expected savings based on halogen dichroic MR16 down light specifications were forecast prior to project implementation:

- Annual savings of over 4,800,000 kWh of energy with estimated annual energy and maintenance savings of \$1.0m (based on May 2011 variable electricity costs);
- Savings of over 43,200,000 kWh of energy over 40,000 hour LED life with estimated energy and maintenance savings of \$9.0m (based on May 2011 variable electricity costs);
- Prevention of the discard of over 470,000 lamps into landfill over the next 9 years.

Outcomes of the project will continue to be monitored and reported during the second EEO cycle.