

**A Message to Our Valued Customers About the Stimulus Bill**

## ***Separating Fact From Fiction***

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On February 17, President Obama signed an economic stimulus bill—called the American Recovery and Reinvestment Act of 2009—that has significantly affected the window performance levels required for existing American homes to be considered “energy efficient,” and for their owners to qualify for federal tax credits. These energy standards—which contradict current ENERGY STAR® guidelines—are the result of aggressive lobbying efforts from special-interest groups, seeking to increase market demand and sales for their own limited range of window products.

The new requirements of the stimulus bill prescribe a “one size fits all” window performance rating for the entire country, in terms of insulation value and solar heat-blocking properties. As anyone with a basic understanding of window performance knows, this simply isn't logical.

Already, many groups in our industry—including the American Architectural Manufacturers Association (AAMA)—have begun outreach and lobbying efforts to overturn these window performance requirements. AGC will be supporting these efforts.

In the meantime, AGC has created this communication to help our valued customers separate fact from fiction—as well as design and specify products that offer the greatest combination of short- and long-term financial benefits for U.S. window consumers.

We want to help you understand a few key points about the stimulus package and its implications for your business:

- **The “one window fits all” energy requirements of the stimulus bill ignore the most basic science** behind year-round energy efficiency. Different regions require different levels of performance, in order to maximize annual energy efficiency.
- **The ENERGY STAR guidelines—which recognize regional variations in energy needs—remain a better tool** for understanding window performance and making sound recommendations to consumers.

- With a broad range of sputter-coated low-e glass products that block solar heat in the South—as well as pyrolytic solutions that take advantage of passive solar heat in the North—**AGC can continue to help you meet the *real* energy needs of every U.S. home.**

## Why the Stimulus Bill Gets It Wrong

The new stimulus bill has received a lot of attention from the media and the American public for its taxpayer benefits, infrastructure programs, and funding for education and healthcare.

Receiving far less publicity and attention is the fact that the stimulus bill includes energy-efficiency criteria that not only contradict common sense—but also go directly against the guidelines of the ENERGY STAR program, which the federal government has championed and supported financially for 17 years.

The stimulus bill allows homeowners to receive a tax credit equal to 30% of their costs for purchasing energy-efficient windows and doors for an existing home—with a maximum credit of \$1500.

*How can the same window deliver maximum year-round energy efficiency in such dramatically different U.S. cities as Miami, Florida (with an average annual temperature of 76°) and Minneapolis, Minnesota (44°)?*

In order to qualify, **windows in every region of America must have a U Factor less than or equal to 0.30, and a Solar Heat Gain Coefficient (SHGC) less than or equal to 0.30**—which means that qualifying windows must boast excellent insulation properties and outstanding solar-blocking performance.

The problem with these criteria? In much of the U.S., a Solar Heat Gain Coefficient of  $\leq 0.30$  does not maximize year-round energy efficiency. For the majority of the year, Northern homeowners are not challenged to block solar heat, but to *capture* it. If they install the right windows, they can actually lower their annual energy bills by supplementing home heating systems with passive solar heat during cooler months.

The new stimulus bill forces Northern homeowners to specify and install the same solar-blocking windows as homeowners in the South—where solar heat truly *is* a year-round challenge—at least, if they want to receive tax credits from the federal government.

This “one window fits all” approach stands in stark contrast to the U.S. ENERGY STAR guidelines, which have been evolving to reflect a more customized approach that reflects real differences in annual heating and cooling needs, based on climate and geography.

It is especially confusing that the stimulus bill has arrived at its own set of seemingly arbitrary standards, when the ENERGY STAR guidelines are already in place.

## **ENERGY STAR: A More Accurate Definition of “Energy-Efficient”**

Founded in 1992, the Department of Energy’s ENERGY STAR program was a global pioneer in studying the real-world energy needs of homes in different regions. Under its guidelines, U.S. homeowners are divided into four specific regions, depending on their annual heating and air conditioning needs.

*While the stimulus bill sees America as having a consistent year-round climate, ENERGY STAR recognizes regional differences in heating and cooling needs—and recommends different SHGC performance in every region.*

Based on these regional variations, ENERGY STAR advises homeowners to make customized window choices that match their own unique use of energy for heating or cooling—leading to true year-round energy efficiency.

While ENERGY STAR recommends that Southern homes should include windows with excellent solar heat-blocking properties, this program also recognizes that Northern homeowners should capitalize on free heat from the sun to minimize heating system usage. Unlike the restrictive high-performance SHGC ratings required by the new stimulus bill, ENERGY STAR allows for regional differences in actual solar-blocking needs.

**In Northern regions, ENERGY STAR guidelines allow the use of windows that take advantage of passive solar heat—while the stimulus bill seeks to block this source of free energy.**

The ENERGY STAR program has published preliminary standards that are scheduled to take effect in January 2010, and invited comments from the fenestration industry. As this document is being prepared, the comment period is nearing its end, and ENERGY STAR will be moving on to finalize its new window performance requirements for the U.S. While it is still too early to discuss any of the proposed new guidelines, ENERGY STAR has publicly stated that it is changing the energy-efficiency requirements for Northern regions and limiting tradeoffs. Proposed new ENERGY STAR criteria, and published comments from AGC and other industry stakeholders, can be viewed at [http://www.energystar.gov/index.cfm?c=archives.windows\\_criteria\\_amendment](http://www.energystar.gov/index.cfm?c=archives.windows_criteria_amendment).

## **The Good News: AGC Offers Customized Glass Options**

Because AGC Flat Glass North America offers a full range of glass for residential windows—delivering customized energy performance for every U.S. region—we are opposed to the special-interest lobbying efforts that resulted in the stimulus bill’s new window requirements.

AGC Flat Glass North America believes that every American homeowner should be able to benefit from both a tax credit *and* a window that provides the best energy efficiency for their home over the long term. We will support any efforts to revise the stimulus bill guidelines.

But what should our customers do in the meantime to manage the new requirements of the stimulus bill?

**With their excellent U factor and SHGC ratings, Comfort Ti-AC 23™ and Comfort Ti-AC 36™ can help homeowners in every region of America to meet the new performance requirements of the stimulus bill.** These sputter-coated low-emissivity products allow AGC customers to meet the expected market demand for  $\leq 0.30$  SHGC windows.

For those consumers who choose to look beyond the short-term tax credits promised in the stimulus bill—and focus on window choices that deliver long-term energy savings and financial rewards—**AGC offers a broad range of both sputter-coated and pyrolytic glass products that can meet the actual year-round energy needs of homeowners in every region of the U.S.**

Consumers may be tempted to blindly follow the  $\leq 0.30$  SHGC recommendations of the stimulus bill in order to receive a one-time tax credit, but we can support them in making smarter choices that represent longer-term rewards.

Low-SHGC products like Comfort Ti-AC 23 and 36 actually do deliver the best annual energy performance in Southern regions, where blocking solar heat is truly a year-round concern.

For Northern homeowners, AGC can deliver our Comfort E2™ family of pyrolytic low-e glass products or our Comfort Ti-PS,™ a sputter-coated low-e solution. Both are engineered to capitalize on passive solar heat to reduce heating system usage—making them the most energy-efficient year-round choice for cooler regions.

## **AGC: Your Partner in Meeting Market Needs**

While we work together to revise the confusing performance standards of the new stimulus bill, we must largely listen, and respond, to the needs of the marketplace.

**Customers of AGC Flat Glass North America are in a fortunate position today—because they can access our full product line to respond quickly to changing market needs.**

Whether you need pyrolytic Comfort E2 or sputter-coated Comfort Ti-PS products to meet the energy needs of Northern homeowners—or sputter-coated Comfort Ti-AC solutions to deliver outstanding SHGC performance—AGC stands ready to support your business.

In addition to providing a full line of energy-efficient products that meet the needs of America, AGC has a new strategy, called *Beyond Glass*, that can help to make our customers successful by providing outstanding solutions and services.

Whatever challenges you face in the short term because of the stimulus bill—and no matter what the future holds for window performance standards—AGC will be there with a full line of glass solutions, support services, and value-added partnerships to meet your needs.

*To learn more about how you can use Comfort Ti-AC 23™ and Comfort Ti-AC 36™ to meet the new standards of the stimulus bill, **we urge you to call the AGC Technical Services team at our glass hotline, 423-229-7200.** For general questions and information about AGC products, call 800-251-0441, send an e-mail to [info@na.agc-flatglass.com](mailto:info@na.agc-flatglass.com), or visit us online at [www.na.agc-flatglass.com](http://www.na.agc-flatglass.com).*

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