

From New York to the Southeast: EERS paves the way  
for the next generation of Small Business  
**Direct Install Programs**



# *EERS driving the great untapped segment*



“As energy efficiency portfolio managers and program planners increasingly look for new sources of potential energy savings, the small business sector may hold significant resource acquisition opportunities for the future. There is a **large and relatively untapped potential for energy savings available in the small business sector.**

Frontiers of Energy Efficiency; Next Generation Programs Reach for High Energy Savings, ACEEE, 1/2013



“...the challenge for these program administrators will be to design and implement programs that can achieve both deeper savings...and have a broader reach in terms of market penetration over a sustained period of time...Achieving higher market penetration rates will require programs to **target and reach traditionally underserved markets in far greater numbers than current practice.**”

The Future of Utility Customer-Funded Energy Efficiency Programs in the US LBNL, 1/2013

# *EERS driving the great untapped segment*

## UNITY

Across the country , we are seeing regulators, utilities and stakeholders are working collaboratively to design and deliver cost effective EE solutions.

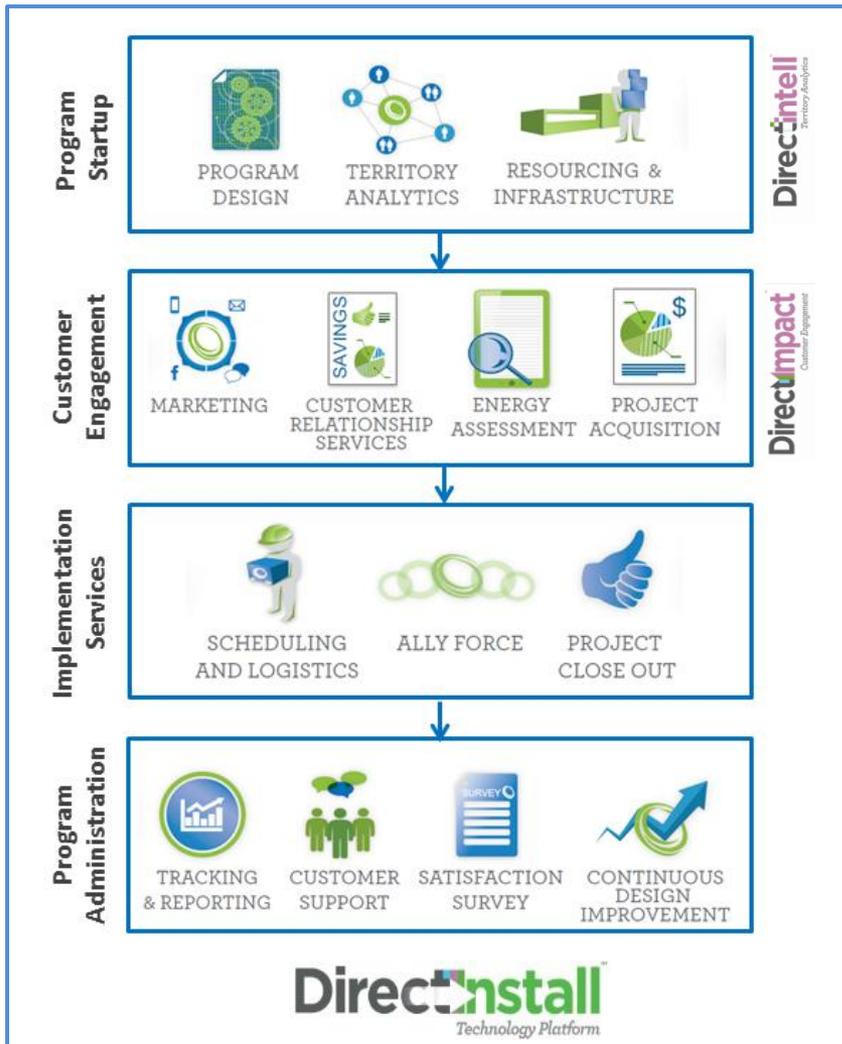
## FINDING EE LEVERS

Through Energy Efficiency Portfolio Standards (NY) to Integrated Resource Planning (NC/SC) states are specifically engaging EE to underserved markets as a means to continue to effectively deliver power to their customers.

## DIRECT INSTALL CONFIDENCE

A maturing Direct Install model is cost effectively and quickly delivering the negawatts needed to achieve DSM, T&D, and Supply requirements – **creating predictability and stability into an aging infrastructure...while increasing Customer satisfaction.**

# 10.5 Program Best Practices that are driving Direct Install 2.0 for EE Program Delivery



Drive out complexity; Increase confidence

#1 Performance Based Energy Efficiency

#2 Integrated Services

#3 Rich Territory Analytics

#4 Persona Development

#5 Direct Install Specific Technology

#6 Consistent Customer Experience

#7 CRM @ Scale

#8 Flexible Financing Vehicles

#9 Local Partner Ecosystem

#10 Predictable Results

#10.5 A SMB Channel for more EE!

# #1 Performance-Based EE

## Our Foundation

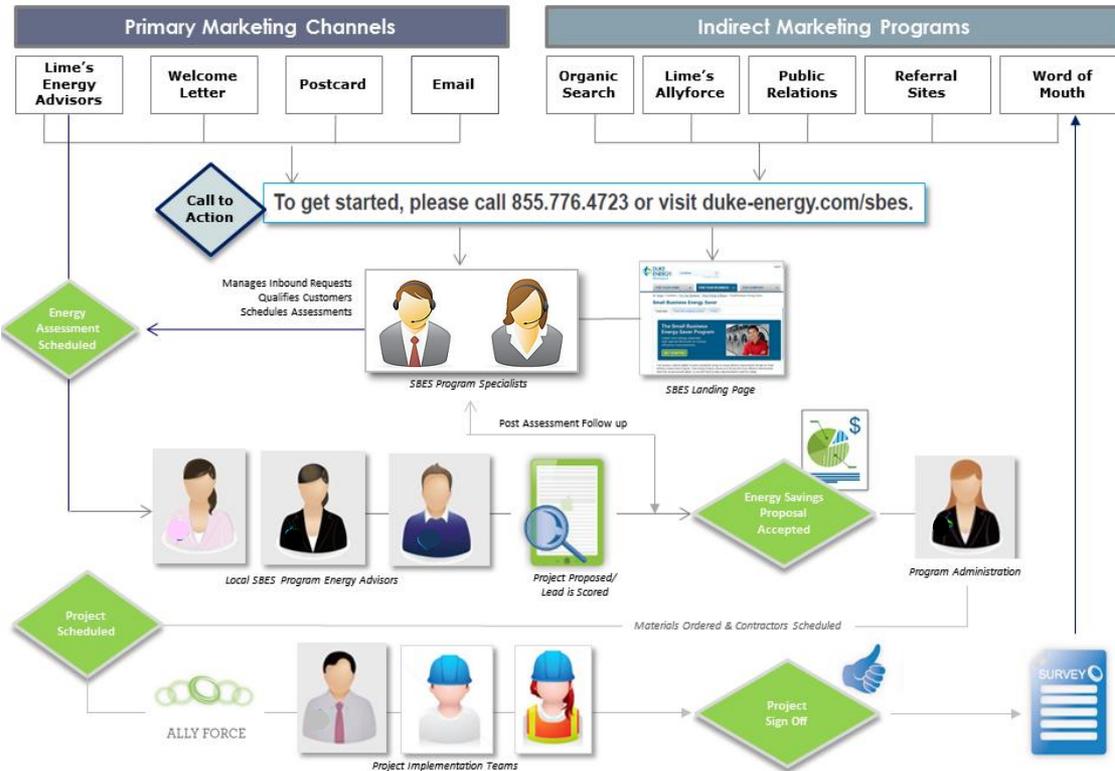
Quick, risk mitigated deployments with a dialing mechanism to meet specific Utility supply and T&D needs (EERS/IRP)

- No Upfront Program Administration Fees
- No Software Licensing Fees
- Turn-key Unit Price
- Industry Recognized Measures
- Measures Exceed TRC Test



The desired outcome is a **higher value cost per kWh.**

# #2 Integrated Services



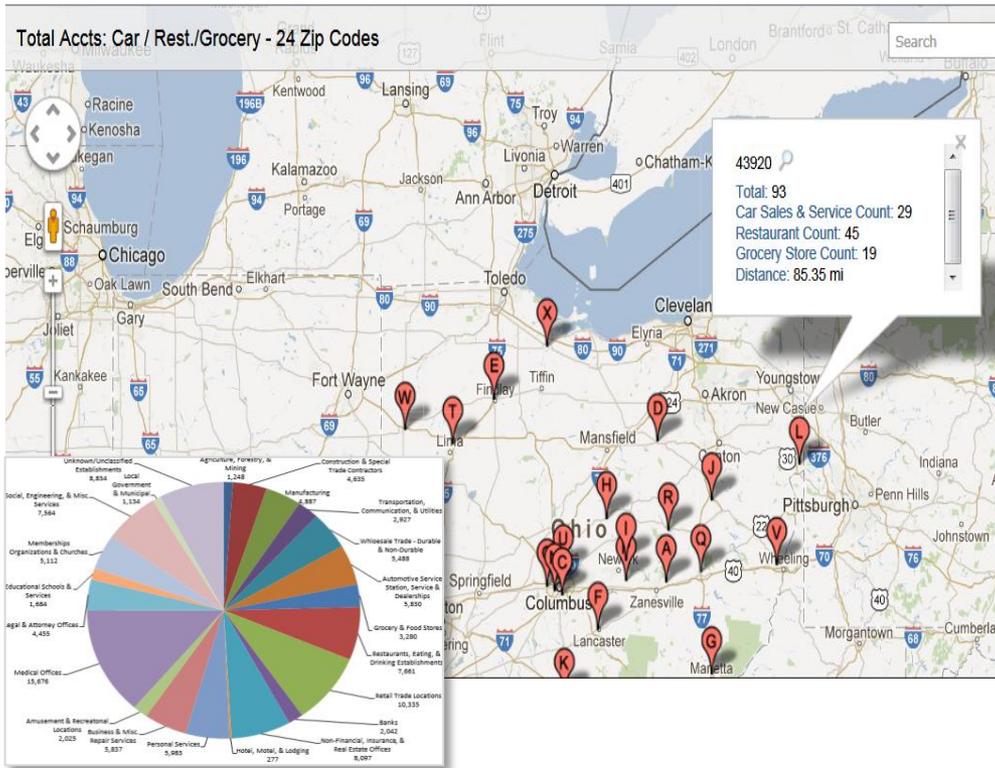
## Direct Install Services Include:

- Program Design
- Administration
- Territory Segmentation
- Training
- Program Marketing
- Free Assessments
- CRM Management
- Material Management
- Contractor Management
- Program Portal
- Real Time Reporting
- Customer Satisfaction

*More Services = More Value*

# #3 Rich Territory Analytics

We identify customers that have a high potential for energy savings based on business industry classification and utility data energy usage modeling.



**We calculate:**

- Annualized KWH
- Load Factor %
- Burn Hours

**We rank, score & model by:**

- Energy Usage (opportunity)
- Geography / Zones
- Top SICs

**We make it very visible throughout the program.**

# #4 Persona Development



Small Business Initial Contact	"Michelle" 32 Married Branch Manager	"Rick" 38, Single General Manager	"Bill" 38, Married, 2 kids, Manager	"Mike" 39, Married, 2 kids, Pastor	"Brenda" 40, Married, 3 kids, Manager
Business	Retail Bank	Car Dealership	Hotel	Church	Convenient Store
Years in Business	7	18	22	17	12
Unique buying Characteristics	Regional DM required Longer sales cycle Multiple Site Opp.	Local Ownership Strong paybacks Larger Avg. Proj. Size	Owners Group Can be complex	Longer Sales Cycle Requires more operating hrs. via school or Daycare	Strong Referral Network Packable Offering for multiple sites
Cash Position	Strong	Good	Fair (Seasonal)	Highly Budgeted	Steady
Retrofit Driver	Ambiance Productivity Sustainability Goals	\$ for Advertising Product Enhancement Service Center Lighting	Ambiance Lower Overhead	Improving occupant comfort & operations Project Funding	Upgrade Equipment Product Enhancement Safety
Target Measures	Lighting HVAC	Int./Ex. Lighting/ HVAC	Lighting HVAC / Refrigeration	Lighting HVAC	Lighting (Int./Ext.) Refrigeration
Avg Kwh Saved	19,600	25,800	25,000	17,500	16,500
Avg Project Size	\$9,100	\$7,500	\$8,800	\$6,800	\$6,600
Avg Payback	8 months	13 months	16-26 months	11 months	10 months

Focusing on people means that we move beyond basic benefits of the direct install program.

We understand how leveraging the program changes the lives of these small business customers.

## What Most Know:

- Hard working
- Self Motivated
- Passionate
- Market Intuition
- Limited Capital

## What We Have Learned:

- Where they need funds
- Operating/ Burn Hours
- Measures
- Best Practices
- Influencers

# #5 Direct Install Technology Platform



- Portable iPad Driven Application
- Onsite Direct Install audits
- Proposal generation
- Real-time CRM
- Implementation workflow

- Lime Direct Install is a collaborative, secure platform built specifically for the implementation of Direct Install utility programs.
- Contains the intellectual capital of 25 years of EE experience.
- Platform is integrated throughout the entire program process, from marketing campaigns through purchase orders, to material pick lists, waste management and reporting.

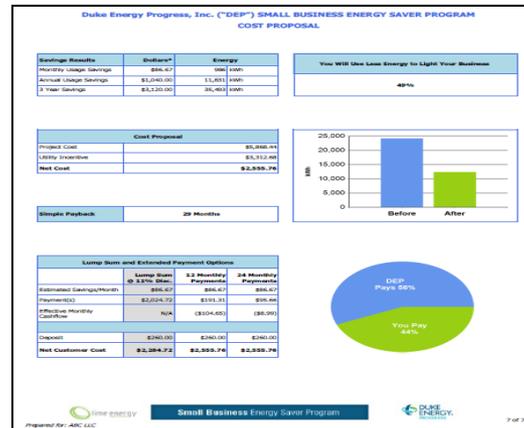
# #6 Consistent Customer Experience



## Local Energy Advisor



Lime Hires Local Advisors  
Provides In-depth Training



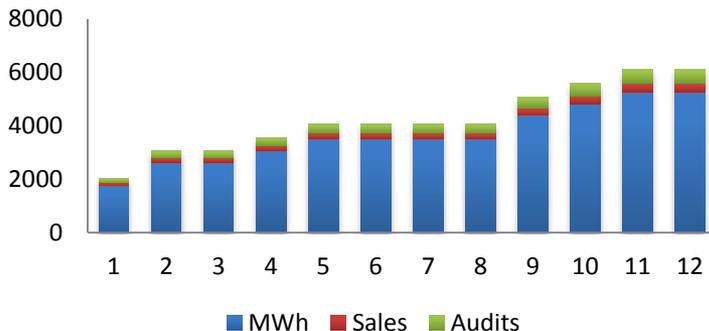
Schedules Onsite Visit  
Performs Assessment



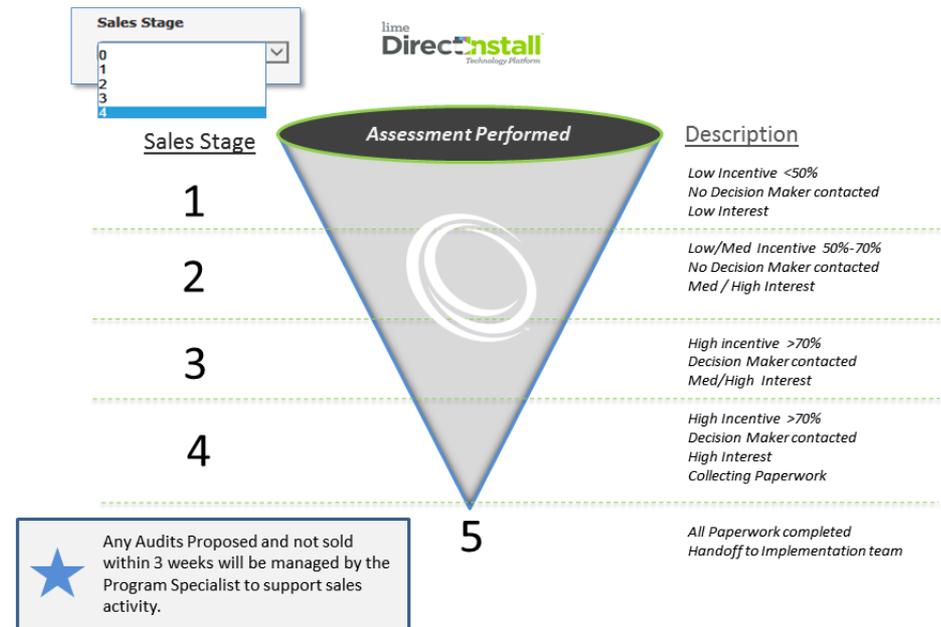
Builds Relationships  
Secures Referrals

# #7 CRM @ Scale

CRM Funnel Stage	Key Performance Indicators
Segmentation	<ul style="list-style-type: none"> <li>Data Validation</li> <li>CRM entry</li> </ul>
Program Awareness	<ul style="list-style-type: none"> <li>Web traffic growth</li> <li>Conversion Rate</li> <li># of touches/week</li> </ul>
Lead Generation	<ul style="list-style-type: none"> <li># of Scheduled Audits</li> <li># of Proposals submitted</li> </ul>
Energy Proposal	<ul style="list-style-type: none"> <li># of Days (Audit to Proposal)</li> <li># of Signed Contracts</li> </ul>
Signed Contract	<ul style="list-style-type: none"> <li># of Days to close out project</li> <li># of completed install</li> </ul>
Post Install	<ul style="list-style-type: none"> <li>Customer Satisfaction Rating</li> <li>Referenceable Customer</li> </ul>



- MWh Goals (Key to managing growth)
- Weekly Pipeline Reviews
- Strategic Accounts (multiple sites)
- Deal Team Reviews



# #8 Flexible Financing Options

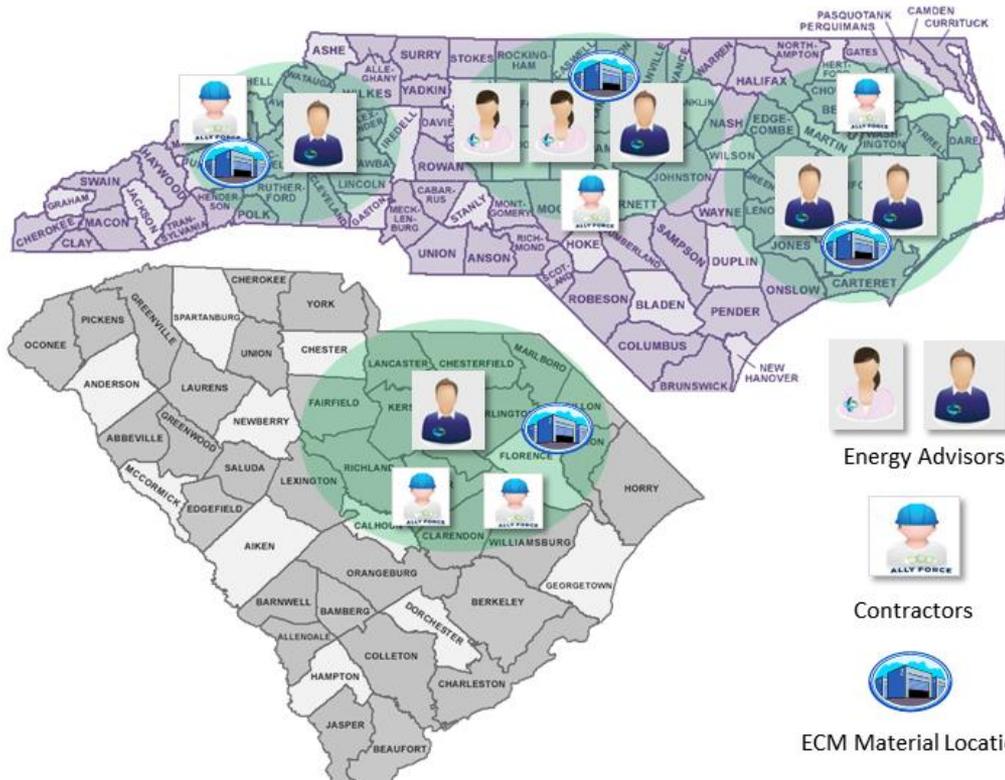
Payment Options			
	<input type="checkbox"/> Lump Sum	<input type="checkbox"/> 12 Payments	<input type="checkbox"/> 24 Payments
Initial Payment:	\$90.00	\$90.00	\$90.00
No. of Months:	0	12	24
Payment:	\$465.11	\$44.24	\$22.12
Total:	\$555.11	\$620.88	\$620.88

We offer multiple financial vehicles to enable qualified utility business customers with options:

- A 12 or 24-month payment
- A shared savings structure
- A third party energy expense management
- A traditional equity financed program
- ACH or credit card payment

- Clear evidence that offering the customer the opportunity to finance their copay is a tremendous value in program adoption.
- Improves the closing rate, resulting in increased program efficiency and lowering the utility's cost per kWh.
- Utilities that offer an “on-bill financing” mechanism, have realized consistent customer participation.

# #9 Local Partner Ecosystem



- Material Alignment
- 3-5 Day Delivery
- Contractor Portal
- Local Crews / Jobs
- Volume Mentality
- Revenue Expansion
- Minimal Cost of Sales
- Program Training

# #10 Predictable Results

In only 4 years:

**9 Active**  
SMB/SLG Programs

**850,000 +**  
Targeted Customers



**15,000+**  
Implementations

**840,000+**  
MWhs Saved

ASE Super Nova  
Star award

## Dedicated to Serving Small Businesses

	kW Range			
	0-25	25-50	50-75	75-100+
% of Projects Delivered	60%	30%	6%	4%
Avg. Project Size (MWh)	13.8	27.9	48.1	52.2
Avg. Project Size (\$)	\$ 4,359	\$ 8,284	\$ 13,123	\$ 12,418

# #10.5 A New SMB Channel for More EE!



## Direct Install 2.0 offers:

- Better understanding of SMB buying behaviors.
- Solid foundation of active EE participants.
- Predictable Channel for new and emerging technologies.

Thank you! [www.lime-energy.com](http://www.lime-energy.com) | [csolomonson@lime-energy.com](mailto:csolomonson@lime-energy.com)