

Small Business Programs

Exemplary Programs

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Honorable Mention

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*Small Business Programs
Exemplary Program*

***Small Business Energy Advantage
The Connecticut Light and Power Company
The United Illuminating Company
Connecticut Energy Efficiency Fund***

Note: Small Business Energy Advantage is a program offered by each of the two largest investor owned distribution utilities in Connecticut: The Connecticut Light and Power Company (CL&P) and The United Illuminating Company (UI) with funding from the Connecticut Energy Efficiency Fund (CEEF). This profile is of the collaborative Small Business Energy Advantage (SBEA) effort. Individual company program data are presented in the “Program at a Glance” section.

PROGRAM OVERVIEW

The Small Business Energy Advantage program takes a collaborative team approach by the Companies to design and provide cost-effective, turn-key energy-savings services for small commercial and industrial customers. The majority of these businesses have neither the time nor the in-house expertise to analyze or modify their energy-consuming equipment and in-house electric consumption. The Connecticut Energy Efficiency Fund provides funding to these customers via Small Business Energy Advantage that offers them significant incentives to implement energy efficiency recommendations and reduce their energy costs. The incentives cover up to 50% of the installed costs of energy efficiency projects. Qualified customers can utilize interest-free financing for the remaining balance of projects for a maximum term up to 36 months.

While SBEA addresses a full range of electric end-use applications, lighting improvements are the measures most commonly implemented by participants. Light fixtures containing T-12 fluorescent lamps and magnetic ballasts were the norm prior to the mid 1990s and still are prevalent among small businesses. Replacing these fixtures with current energy-saving versions can reduce a typical business’s lighting electrical usage by approximately 40% or more while maintaining or even exceeding the existing lighting level. In addition, retrofitting existing standard fluorescent lamps in lighted freezers and refrigerated cases with LED technology provides similar savings. The LED lighting also produces additional savings by reducing the amount of heat that needs to be cooled by the refrigeration system

In order to increase customer participation in SBEA, the Companies have expanded the program’s eligibility criteria. As an example, CL&P raised the maximum customer demand from 100 kilowatts (kW) to 200 kW. This change has had the positive effect of attracting additional customers to SBEA, particularly municipalities and government agencies. UI utilizes a lower cap of 150 kW and does not offer the program to its municipalities and governmental agencies.

SBEA employs an active approach to program marketing and recruiting. Rather than waiting for small business customers to come to the SBEA program, contractors involved with SBEA are

required to actively seek out businesses they feel could benefit. The Companies have contracted with 15 vendors as the result of a competitive bid process based on a request for proposals. This network of vendors has also been approved by the State of Connecticut, Department of Public Utilities, to perform work in the Companies' service territories based on fixed pricing for established services. The pricing module is incorporated into a customer software application that easily allows vendors to develop projects that would be consistent to customers regardless of which vendor is assigned. Additionally, these vendors will provide a complete utility-approved breakdown of costs and potential savings to customers before any work is authorized. Customers are free to implement all, some, or none of the recommendations as long as cost-effective criteria are met. Once customers approve the proposed work and all necessary paperwork has been completed, installation typically begins within 30 days. When installations are complete, follow-up project paperwork and inspections are concluded promptly. The benefits to customers begin accruing immediately. For customers who wish to perform the work themselves, CL&P has provided a Lighting Express Rebate Program, separate from SBEA, which pays customers rebates based on installed price per fixture. No financing is available for this alternative.

The Companies have designed the program to utilize interest free financing as an additional tool assuring the success of SBEA. The customers have the ability to implement a project that has literally "no out of pocket" costs. UI offers its customer the additional convenience of "on bill" financing. This program design allows the customer to enjoy positive cash flow and to enjoy the convenience of writing one check to the utility.

PROGRAM PERFORMANCE

The table below offers a comparative summary of SBEA program results in 2003 and 2006 by the Companies. The energy savings yield direct benefits to participating customers and the system-wide demand and energy reductions yield benefits to the Companies.

	2003	2006
Program spending	\$3.5 million	\$9.1 million
Number of projects completed	653	1522
Annual system demand savings (MW)	3.4	10.2
Annual customer energy savings (MWh)	16.7	38.3
Lifetime customer savings (MWh)	275	638

LESSONS LEARNED

SBEA's success is largely attributable by creating "win-win, not-to-be-missed" opportunities for small business customers. This is accomplished by:

- Offering audits to customers at no cost to them;
- Installing new equipment based on audit recommendations that have a neutral or positive cash flow due to availability of both incentives and 36-month zero-interest financing;
- Achieving results quickly that provide significant cost and energy savings to participants—results that are long-lived and continuous.

PROGRAM AT A GLANCE

Program Name: Small Business Energy Advantage

Program Start Date: SBEA was re-designed in 2000 and modified in 2003 based on the collaborative partnership between the Companies.

Funding Sources: Connecticut Energy Efficiency Fund (3mils / distributed kWh)

Connecticut Light and Power

Targeted Customer Segment: All commercial and municipal customers with energy demand less than 200 kilowatts

Program Participants: 955 in 2006

Annual Energy Savings Achieved: 32.5 MWh in 2006

Peak Demand (Summer) Savings Achieved: 8.5 MW in 2006

Other Measures of Program Results to Date: Lifetime savings of 561 MWh for 2006 implementation

Budget: \$7.5 million in 2006 (actual expenditures)

Best Person to Contact for Information about the Program

- Email: dennis.oconnor@uinet.com

- Steve Bruno, Supervisor, CL&P
- Phone: 860-832-4942
- Email: brunosj@nu.com

The United Illuminating Company

Targeted Customer Segment: All commercial customers with energy demand less than 150 kilowatts

Program Participants: 667 audits with 310 installed projects in 2006

Annual Energy Savings Achieved: 5.8 MWh in 2006

Peak Demand (Summer) Savings Achieved: 1.7 MW in 2006

Other Measures of Program Results to Date: Lifetime savings of 76.9 MWh for 2006 implementation

Budget: \$1.6 million in 2006 (actual expenditures)

Best Person to Contact for Information about the Program

- Dennis O'Connor, Program Administrator , UI
- Phone: 203-499-3715

*Small Business Programs
Exemplary Program*

***Small Business Energy Services Energy Efficiency Program
National Grid***

PROGRAM OVERVIEW

National Grid (in its service territories in Massachusetts, Rhode Island and New Hampshire) provides direct retrofit installation of energy efficient lighting and other electric energy saving measures to commercial and industrial customers with average monthly demand less than or equal to 200 kW.

The program targets lighting, refrigeration, and custom solutions. Some of the lighting and refrigeration measures include energy-efficient fluorescent ballasts, lamps, and fixtures; hard-wired and screw-in compact fluorescent systems; high intensity discharge systems; occupancy sensors; LED retrofit kits; and evaporator/compressor controls for walk-in coolers and freezers, fan and door heater control devices for walk-in coolers as well as night setbacks for novelty coolers. Custom measures include air compressor replacements, energy management systems, insulation and air sealing, and lighting redesigns.

Several vendors selected through a bidding process implement the program. The labor vendors market the program, perform audits at customers' facilities, prepare and deliver cost-effective energy efficiency recommendations to customers, purchase materials from a supplier selected through a competitive bid process by National Grid, and install the equipment. A separate vendor, also selected through a competitive bid process, handles services for recycling ballasts and lamps for proper disposal.

National Grid pays 80% of the project cost in Massachusetts and New Hampshire and 75% of the project cost in Rhode Island. Customers are responsible for the remaining percentage of the project costs and may choose a payment plan that best fits their financial needs:

- Single payment: Customers may choose a single payment consisting of 85% of the 20/25% copay.
- Financing: customers may choose to finance for 12 or 24 months, interest free, their portion of the project cost.

All charges appear on the customer's electric bills. In 2006 customers were split fairly evenly between the two payment options.

National Grid also provides recycling services with the recycling vendor selected through a competitive bid process. Fluorescent lamps and ballasts are packaged by the electricians in containers provided by the recycling vendor. The recycling vendor then schedules the pick up with the customer and the lamps and ballasts are disposed of in an environmentally-friendly manner. In 2006 more than 250 tons of ballasts and lamps were recycled.

PROGRAM PERFORMANCE

In 2006 more than 1625 projects were completed, saving more than 23,000 MWh annually for our customers, providing more than 5.4 MW of demand savings, and an approximate total greenhouse gas reduction of 14,500 metric tons of carbon dioxide.

LESSONS LEARNED

Over years of experience with small business customers and energy efficiency programs, National Grid has learned that keys to its success with the Small Business Services Energy Efficiency Program include:

- *Keep participation simple.* Customers typically have limited time and resources for managing energy efficiency projects. Insuring that the program provides turnkey services and requires minimal customer involvement (e.g. one page contract) further encourages customers to participate.
- *Small business customers find financing their portion of the costs on their monthly utility bill to be very appealing.* This provides them an easy mechanism for up to 24 months to pay off their share of the costs.
- *Recognize that the greatest percentage of savings will be achieved through lighting improvements because these customers tend to have loads dominated by lighting.* While comprehensive solutions also benefit these customers, they typically are not easily replicable as well as costing approximately one-third more than prescriptive lighting measures.
- *Develop good working relationships with the vendors delivering the program.* These business partners represent the utility (or other organization offering the program) on the front line with customers as well as being an invaluable resource for program enhancements and resolving customer issues.

PROGRAM AT A GLANCE

Program Name: Small Business Services Energy Efficiency Program

Targeted Customer Segment: Small business customers with 200 kW or less demand

Program Start Date: 1990

Program Participants: 1625 projects completed in 2006.

Annual Energy Savings Achieved: 23,000 MWh in 2006

Peak Demand (Summer) Savings Achieved: 5.4 MW in 2006

Budget: \$9.7 million in 2006

Funding Sources: Systems Benefits Charge

Best Person to Contact for Information about the Program

- Mark Siegal, Program Manager, National Grid
- Phone: 508-421-7296
- Email: mark.siegal@us.ngrid.com

*Small Business Programs
Honorable Mention*

***Express Efficiency Rebate Programs: Southern California Edison and
San Diego Gas & Electric
Small Business Rebate Program: Pacific Gas & Electric***

PROGRAM OVERVIEW

The Express Efficiency Program¹ is a statewide program administered by California's investor-owned utilities under the auspices of the California Public Utilities Commission. The program is designed to encourage energy efficiency by offering rebates to offset the cost of replacing or upgrading a variety of equipment with new, energy-efficient technology. Express Efficiency offers prescriptive rebates for specific types of equipment, defined by the program as "itemized measures." The program offers rebates for a range of customer end-use applications, namely:

- Lighting,
- Food service equipment,
- Refrigeration,
- Heating, ventilation, and air-conditioning (HVAC) equipment, including window film,
- Business computing and office equipment,
- Agricultural equipment,
- Boilers and water heating,
- Motor equipment.
- Appliances and general improvements

The companies offer rebates up to 100% of the installed cost on all measures. Each company has established limits for the total rebate amounts that customers may receive for each program year. All equipment must be new (not used or rebuilt) and must replace existing equipment (not be incremental purchases or new construction). Each program provides a complete set of eligibility and equipment requirements.

SCE, SDG&E and PG&E offer rebates to all non-residential customers regardless of size or monthly electric demand. However, PG&E's program actively targets small and medium size business customers. PG&E created Express Efficiency in 1983. SCE and SDG&E created and offered similar small business programs from the 1980s onward. The more recent joint offering of the program by all of California's IOUs reflects the state's efforts to offer a common statewide program to ensure consistency and achieve greater collective program impacts.

¹ Pacific Gas & Electric Company offers this program under the name Small Business Rebate Program.

PROGRAM PERFORMANCE

Each participating utility has a long record of success with its small business programs. The tables below give recent data for PG&E's Small Business Rebate program and SCE's Express Efficiency Program.

Summary Data for PG&E's Small Business Rebate Program

	2006	2007
Demand savings (net kW)	15,426	25,937
Electricity savings (net kWh)	90,598,450	137,565,020
Natural gas savings (net therms)	1,533,705	5,888,923
Number of rebate applications	3,541	5,400
Total amount of rebates paid (\$)	\$6,008,318	\$12,093,176
Program Budget	\$16,321,217	\$14,330,988

Summary Data for SCE's Express Efficiency Program

(includes all non-residential customers served by program, not just small business customers)

	2006	2007
Demand savings (net kW)	19,082	29,373
Electricity savings (net kWh)	99,875,820	153,742,312
Natural gas savings (net therms)	N/A	N/A
Number of rebate applications	2,500	3,200
Total amount of rebates paid (\$)	\$7,990,066	\$12,299,385
Program Budget	\$12,000,000	\$12,000,000

LESSONS LEARNED

Small business customers especially benefit from a program like Express Efficiency, which offers a comprehensive set of common end-use equipment that is eligible for prescribed rebate amounts. A key is that the program may cover the complete installed cost---important as many small customers lack the financial and human resources to take on energy efficiency improvement projects unassisted.

Express Efficiency (and related similar small business rebate programs) is one of the longest running and most popular energy efficiency programs among California's investor-owned utilities. Its approach to energy efficiency (offering rebates on selected energy efficiency measures) was and is still trusted by customers, and its ease of participation has made it very user friendly.

Express Efficiency has been in place for over two decades with very few changes in its basic format---only the qualifying energy efficiency technologies have changed over time to address the program's success at raising the bar on product energy efficiency. The mission has been and continues to be helping small and medium-sized business customers understand new technologies and install energy-efficient equipment.

PROGRAM AT A GLANCE

Program Name: Express Efficiency Rebate Program (SCE and SDG&E); Small Business Rebate Program (PG&E)

- Phone: 415-973-7255
- Email: cdbh@pge.com

Targeted Customer Segment: All commercial customers.

Southern California Edison: Express Efficiency Rebate Program

Funding Sources: California public goods charges

Program Participants: 3,200 in 2007; 2,500 in 2006

Pacific Gas & Electric: Small Business Rebate Program

Annual Energy Savings Achieved: Electricity: 153,742,312 net kWh in 2007; 99,875,820 net kWh in 2006

Program Start Date: 1983

Program Participants: 5,400 in 2007; 3,541 in 2006

Peak Demand (Summer) Savings Achieved: 29,373 net kW in 2007; 19,082 net kW in 2006

Annual Energy Savings Achieved: Electricity: 137,565,020 net kWh in 2007; 90,598,450 net kWh in 2006.

Budget: \$ 12,000,000 average annual

Natural gas: 5,888,923 net therms in 2007; 1,533,705 net therms in 2006

Best Person to Contact for Information about the Program

Peak Demand (Summer) Savings Achieved: 25,937 net kW in 2007; 15,426 net kW in 2006

- Marissa Barrera, Program Manager
Southern California Edison
- Phone: 626-633-3016
- Email: marissa.barrera@sce.com

Budget: \$14,330,988 in 2007; \$16,321,217 in 2006

San Diego Gas & Electric Program Contact

Best Person to Contact for Information about the Program

- Carmen Bradley-Dioum, Pacific Gas and Electric Company
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- Shea Dibble, Energy Programs Supervisor,
San Diego Gas & Electric
- Phone: 858-636-5774
- Email: sdibble@semprautilities.com