
Energy Advantage Program (EAP)

Creating Lift in the Small and Medium
Business Market

ACEEE Energy Efficiency as a Resources
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APTIM

Overview

- APTIM and EAP Overview
- EAP Premise
- Program Design
- Results
- Lessons Learned

APTIM Overview

- Previously known as CB&I
- Created Summer 2017 by Veritas Capital after purchasing CB&I's Capital Services Group
- 15,000 employees
- Infrastructure, industrial maintenance, disaster recovery, energy management and sustainability, resiliency, federal services, environmental
- We manage EE programs nationally – Focus on Energy, Entergy New Orleans, PG&E petrochemical, SMB programs, higher education initiatives, community based energy efficiency programs for AEP Ohio, Audits/RCX, etc.

Energy Advantage Program Overview

- IDEEA 365 proposal – Non Resource category
- SDG&E and SoCalGas/LADWP Territories
- Create lift in SMB market by partnering with market aggregators to generate leads
- Offer customers turnkey project development support from audits to programs
- Leverage low cost financing to drive comprehensive retrofits



The SMB Opportunity

SMB Opportunity

- Significant savings opportunity in SMB buildings <50K sq feet
- Report by Preservation Green Lab and NBI estimates Small Buildings and Small Portfolios (SBSP) sector contains 95% of all commercial buildings by number and 47% percent of the energy consumption in all non-mall commercial buildings (excluding malls)
- 45% savings opportunity
- Traditionally very hard to reach and underserved by utility programs

SMB Barriers

- Lack of EE Understanding, Funding, Bandwidth
- Utility programs are complicated for anyone to navigate, especially SMBs
- Need for handholding through opportunities, program financing
- Lack Access to low cost capital
- Utility programs have no idea when SMBs are going to make significant building investments



Program Design and Premise

- Partner with market aggregators who already work with SMBs and have insight to when they are going to be investing in their buildings already (economic development, industry associations, lenders)
- Provide Turnkey Project identification and development support
 - Energy audits and energy efficiency measure recommendations
 - Measure cash flow analysis
 - Rebate and incentive facilitation
 - Vendor network referrals
 - Coordination with utility programs (e.g., new construction or direct install).
- Leverage project financing they are already pursuing and bolt on energy efficiency projects identified through the program as an incremental cost

Marketing Partners

- o Small Business Administration Certified Development Corporations (CDC's)
- o Mission driven lenders
- o PACE financing entities
- o Commercial banking lenders
- o Economic development entities
- o Small business associations (e.g., hotel, food service, manufacturing)

SBA 504 Loan Benefits

- 20 year fixed
- Low (10%) customer contribution
- Low interest, backed by government
- Long payback lends itself to comprehensive retrofits and longer payback projects
- 28 SBA 504 lenders in SoCal produced 1000 loans in 2014 leading to 2B in project funding

GreenLoan Feature- 10% savings through EE or renewables opens up ability to take multiple SBA 504 loans for a borrower portfolio.

Targeted Customer Segments

- o Hotels
- o Manufacturing
- o Restaurants and Food Service
- o Office and Retail
- o Community Facilities
- o Nurseries and other agriculture
- o Healthcare and Assisted living
- o Laundry facilities



Results

SDG&E

- 150 customers served,
- 3M kwh forecasted; 50,000 therms
- LED lighting, Ozone Laundry, low cost water/gas saving measures, significant use of the OBF program
- Smaller territory allowed for delivery and marketing advantages

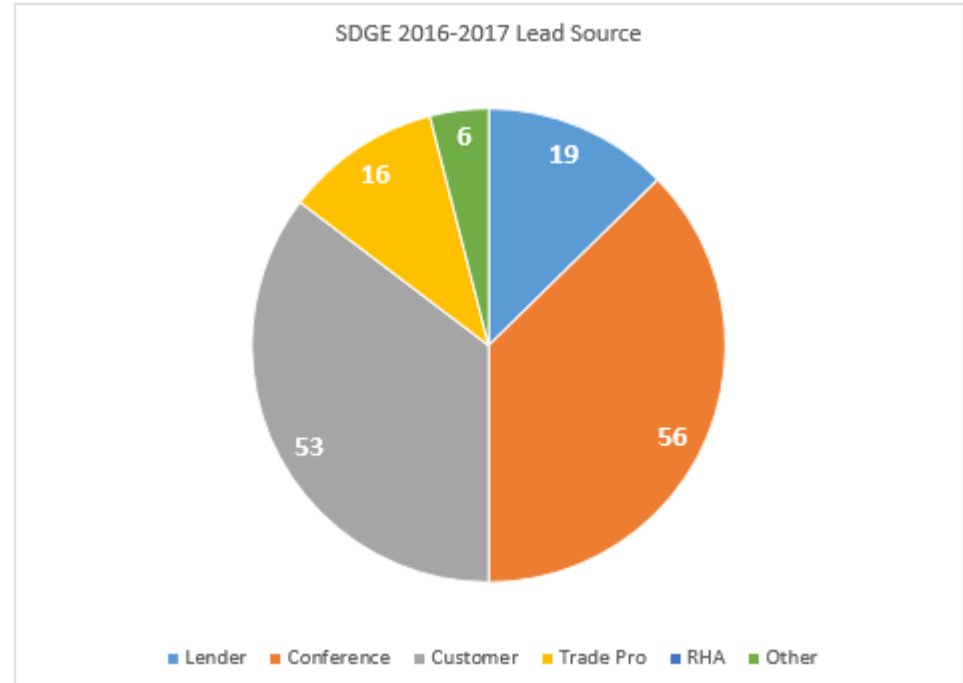
Results

SoCalGas /LADWP

- 50 customers served
- 800,000 kwh and 2200 therms
- Lighting LED, HVAC, Ozone laundry

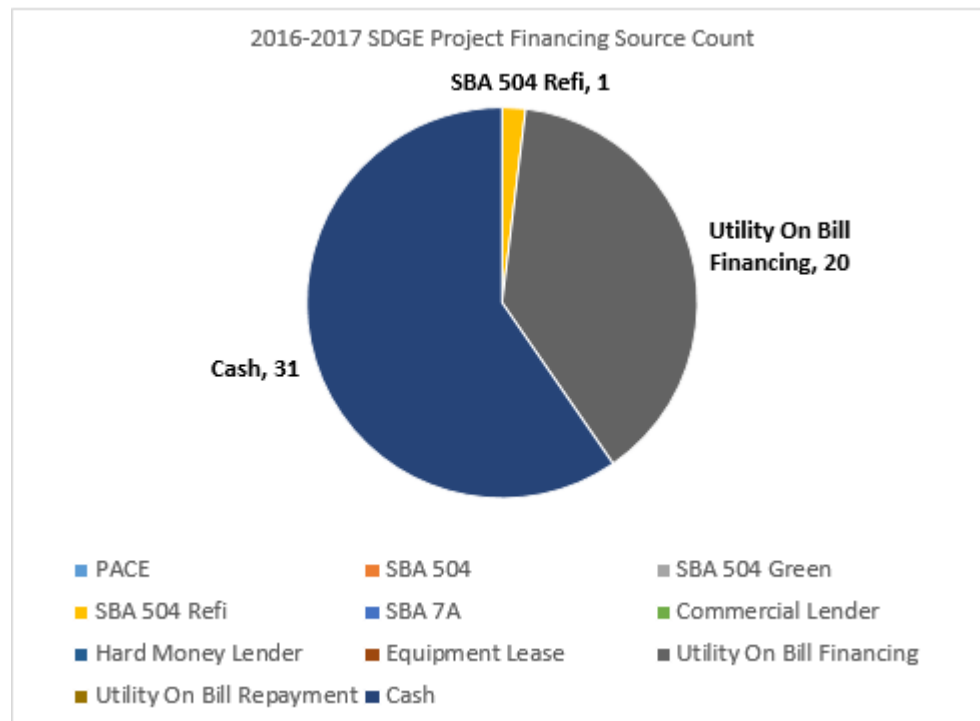
Lead Source Insights

- SBA 504 Learnings – better for new construction projects
- Industry Associations / conferences
- Vendor Partners



How customers financed projects

- 52 projects installed
- Cash – 31
- OBF – 20
- SBA 504 1



Lessons Learned

- Non resource Program Benefits and Challenges
- Serving hard to reach customers is more expensive than we even estimated due to need for high touch engagement, follow up, etc.
- Gas/Electric joint programs – create significant program and customer benefits but it's key to define and synch up client expectation and goals
- SCG Territory is very large to serve with a high touch program
- Gas Measures tend to be long payback maintenance measures, which can dissuade action even with access to financing. Challenges with OBF eligibility