Energy Advantage Program (EAP)

Creating Lift in the Small and Medium Business Market

ACEEE Energy Efficiency as a Resource
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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

- Small Business Administration Certified Development Corporations (CDC’s)
- Mission driven lenders
- PACE financing entities
- Commercial banking lenders
- Economic development entities
- 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

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