

## **Commonwealth of Pennsylvania**

### **EnVinta Small and Medium Business Energy Efficiency Program**

EnVinta's Small and Medium Business Energy Efficiency program will drive implementation of energy efficiency through an internet-based engagement model. The program will engage 2000+ businesses at a very low cost and provide them with an action plan to reduce their energy use and costs within 10 minutes. The action plan will include links to Pennsylvania, regional and Federal services and tools. The program incorporates innovative marketing as well as automated follow-up and telephone implementation support designed to increase conservation, demand reduction, and energy efficiency in Pennsylvania small commercial & industrial facilities. Our proposed approach will accomplish these goals not by replacing existing programs, but instead by integrating all of the available local, regional, and national programs into a unified continuous improvement program.

#### ***Why is there a Need to Approach Energy Efficiency, Demand Reduction, and Conservation from a New Perspective.***

The traditional approach to energy efficiency in small to medium C&I has usually involved an online audit focused on energy-efficient hardware-based improvements (e.g. lights, hot water, etc). There are many limitations associated with this type of audit. Experience shows that typical technical 'audit' tools that attempt to measure energy usage through the counting of motors, lights and other loads are not popular with business customers. They are frequently seen as time consuming and are not viewed as 'outcome orientated processes'. The end result is that customers rarely implement the recommended solutions. These issues were highlighted in a 2005 report that identified that less than 20% of medium businesses and less than 30% of small business found current audits 'very influential' on equipment adoptions (with the exception of lighting).

In a study released earlier this year, the National Association of Manufacturers estimated that 30% of all potential energy savings in the manufacturing sector are only available through improved business practices. In 2005, a study by the National Environmental Education & Training Foundation - funded by the US EPA, found similar results in commercial settings. The study concluded that typical office buildings consume 10% - 30% more energy than necessary and that business practices must be addressed to realize these untapped savings.

#### ***EnVinta's Unique Approach to Address the Shortcomings of Typical Small C&I Audit Programs***

The EnVinta engagement model is an innovative and well proven process to drive increased implementation of energy efficiency in small C&I businesses. It supplies an energy assessment that educates and empowers business decision makers with practical plans to improve both energy efficiency technology as well as the critical management practices required to insure these projects achieve sustainable savings. EnVinta small C&I program participants have reduced energy costs by as much as 23%.

#### ***The EnVinta Program's Key Differences from Traditional Small C&I Energy Efficiency Programs include:***

- **Designed for Decision Makers** - A 2003 study conducted by Quantum Consulting concluded that medium sized business customers "have shown that they are willing and able to implement energy efficiency measures when provided with detailed, actionable recommendations for cost-effective process improvements". The same 2003 study identified that in the small/medium C&I market "the owner is the most important player in selecting equipment for retrofit projects". The EnVinta program is a business focused solution that can be understood and completed by senior management or by engineers. In-fact, 35% of our current small to medium C&I users are General Managers or Finance Managers and approximately 90% are non-engineering, non-technical management staff. EnVinta enables decision makers to affect change in the business through "top-down" business directives (vs the less effective "bottom-up" approach). Other small C&I energy efficiency programs are targeted at engineers. Many small and medium sized businesses do not have ready access to engineers. Where engineers are available, they often have limited budget and/or influence. These technically focused audits are not utilized or understood by decision makers (such as the site manager or the finance manager). The frequent result with the typical approach is that energy savings opportunities are rarely implemented.
- **Short Time to Complete** - EnVinta offers an energy efficiency business assessment that can be completed in 10-15 minutes and, more importantly, provides meaningful output, which is of immediate value to the customer. Recent participants have taken an average of 9 minutes to complete a session. Traditional audits often take 30 to 45 minutes.
- **Large Percentage of Businesses Finish and Receive a Report** - Often, businesses that start technically based audits find it difficult to complete the process. Some of the challenges include the requirement to enter vast amounts of

technical information (e.g. size and number of motors). In this situation, the audit session must be terminated in order to collect information, resulting in frustration. The outcome with the traditional approach is often that businesses don't finish the assessment and leave unsatisfied. EnVinta has a very high completion rate. Of the customers that started an assessment, more than 80% completed the online assessment/audit.

### ***Potential Downsides to the Proposed Program***

Most of the potential downsides in a business practices energy efficiency program such as the one proposed can be avoided if the program is setup and managed properly. EnVinta has been in business for more than 20 years and during that time we have learned many lessons on program focus, structure, and implementation. Lessons learned include:

- Small businesses will not invest as much time or effort on energy efficiency as larger companies. That's exactly why we've designed the initial process to take 10 – 15 minutes.
- Small C&I tend to be more focused on short term benefits than long term gains. It's critical that the program initially focuses on quick wins for program participants. It's been our experience that quick wins will generate the interest in energy management necessary to develop longer term continuous improvement strategies.
- Customer outreach is instrumental in achieving success. This is not a "build it and they will come" program. During program implementation, we reach out to customers in a variety of ways including e-mail, phone, and mail to insure success.

### ***Immediate Customer Value***

EnVinta immediately presents the customer with a detailed business orientated action plan that includes:

- An Estimate of Annual Savings, including a prioritized list of opportunities- The action plan identifies the most cost effective energy efficiency opportunities (e.g. changes in set points, locations of air conditioning sensors). These low cost measures are designed to provide the business with a number of "quick-wins" that generate immediate savings for the customer and drive continued enthusiasm to reduce energy costs;
- Practical Action Plan- The plan provides the customer with the ability to easily assign responsibilities and timeframes for each recommendation, reducing the need for the customer to develop a separate action plan;
- Output Links Actions to Rebates, Products, and Services available in the Commonwealth of Pennsylvania - Each recommendation will include automatic links to utility, local, and regional rebates/services and/or other appropriate websites (e.g. Energy Star, US Department of Energy);
  - The program will be tailored for the Commonwealth so customers can identify rebates/products and solutions relevant to their business and available in their area. For example: details on how to apply for a utility rebate, implementation instructions, a list of suppliers, guidelines or a workbook;
  - Typical online audits link to technical libraries – While on-line technical libraries can provide good information, again they are designed for engineers rather than decision makers. They don't link the customer to products, services or rebates available in their area;
  - Flexibility – During the program set-up phase, questions and recommended actions will be customized for the Commonwealth to address the energy efficiency technologies most relevant to Pennsylvania and Pennsylvania businesses. Additionally, questions and actions can be changed over time, providing the flexibility to modify the assessment and incorporate tomorrow's emerging technologies;
  - Broad Focus that Incorporates an Assessment of Management Practices – The action plan augments Energy-Efficient hardware retrofit-type analysis by providing a broader business-wide analysis that incorporates longer term strategies for improving energy management practices.

EnVinta's belief that energy management needs to become part of the way an organization does business if it is to be successful in achieving long-term improvements is well supported by the multiple studies referenced in this document. EnVinta's proposed program is unique in its ability to engage senior management and financial decision makers in energy efficiency. EnVinta will not only provide Pennsylvania businesses with immediate savings recommendations, it will also help Pennsylvania small businesses lay the groundwork for a more comprehensive and strategic approach to identify and realize a multitude of other energy related savings opportunities.