

Memo to: Garfield NECI Advisory Board
From: Heather McGregor and Alice Laird, CLEER
Date: April 14, 2010

Re: **Glenwood Springs CARD – Commercial Audit & Retrofit Demo**

We are nearing the close-out of the Glenwood Springs CARD project, which has involved six businesses. We are using the models developed in this project to design a broader commercial energy efficiency project that will benefit businesses across the county.

Background

The Glenwood Springs CARD audits and rebates are being funded by local match from the City of Glenwood Springs to the Garfield NECI project. Funding for CLEER staff time to manage the project is being drawn from the DOLA grant. The CARD project is using \$70,000 of the Glenwood Springs match to pay for free energy audits for the six businesses and to fund rebates of up to 75 percent of project costs for energy efficiency measures identified in the audits.

Because this funding came from the Glenwood Springs electric utility, the prescribed measures were limited to those with direct electrical savings. Those measures that offered electrical and natural gas savings were apportioned so that rebates would apply only to the electrical share of the job.

The six participating businesses are:

Active Communications	Good Health Natural Grocery
Glenwood Sewing Center	Juicy Lucy's Steakhouse
Lavender & Thyme Bed & Breakfast	The Pit Stop

Energy efficiency measures include:

- Insulation and air sealing (heating and cooling benefits)
- Lighting replacements, from simple CFL change-outs to commercial retrofits costing thousands
- High-efficiency evaporative coolers with efficient controls
- Efficient refrigerators and coolers
- Programmable thermostats, Vending Misers and power strips

In total, the measures were estimated to cost more than \$71,000, yielding annual savings of nearly \$13,000 and cutting overall electric consumption by 30 percent. Averaged together, the projects are estimated to have a five-year payback.

Present status

Garfield County paid \$18,701 for audits, which were conducted in August and September 2009 by engineering staff at Schmueser Gordon Meyer. The company is part of the CLEER professional team, selected through competitive bidding in 2009. In January and March 2010, Garfield County paid \$15,251 in rebates to four businesses. CLEER forwarded paperwork this week for a fifth rebate of \$1,553, for a total paid to date of \$16,804. The remaining allotted rebates will use up the rest of the city's \$70,000.

Of these rebates, all but one represent the first of two rebate requests for the participants. Only one business has completed all of its measures and received its full rebate allotment: Active Communications.

CARD businesses were notified on March 5 that they would need to submit all rebate requests by May 15. One business, Juicy Lucy's Steakhouse, has been given until June 30 to submit a rebate request for

one particularly vexing problem, balancing the air inflow and outflow for the grill exhaust hood in the kitchen. SGM is providing additional engineering for this project under a separate contract. SGM has also provided ongoing consultations for other participants with complex efficiency projects as part of its audit and program management contract.

Lessons learned

1. Program timing related to the changing seasons is critical. Participants were notified of their eligible measures and rebate amounts just a few weeks before winter weather set in. Heavy snowfall and cold weather delayed many projects.
2. Commercial efficiency projects can be very complex, and accurate cost estimates for labor and specialized equipment can be difficult to achieve. Some participants have expressed frustration with this. Sensitivity to the pressures facing business owners, who are being asked to carry out extra projects on top of their regular work loads, is essential to maintaining a positive program.
3. Even with a generous rebate of 75 percent, some businesses experienced cash flow difficulties paying the upfront costs of their efficiency measures. Offering two reimbursement opportunities during the project period was a welcome option.

Keys to success

The Glenwood Springs demonstration project offered a good laboratory for developing a commercial audit and retrofit program. Many of the documents and protocol developed in 2009 have since been used by GEO's Main Street In A Box program planning document. We now feel we have a good understanding of how to deliver an effective program to benefit commercial property owners and business tenants. There are a few things we would add or do differently as we expand the commercial program to other communities in Garfield County.

- 1. Technical assistance:** The need for an energy coach or advocate to help commercial property owners and tenants through the process cannot be underestimated. Most of these people have a full plate of responsibilities already. Although the program will offer energy savings and building comfort, getting from start to finish can require crossing unfamiliar territory.
- 2. Energy tracking:** Once projects are complete, property owners can see the results of their effort and expense through web-based energy tracking systems that compare utility bills from before and after project completion, showing trends in energy and cost savings.
- 3. Team motivation:** Along with technical assistance, participants in a concentrated efficiency upgrade program would benefit from a team approach to energy savings, giving them an avenue to share experiences and challenge each other to push toward greater savings. This can be accomplished through online social media and regular in-person events, with presentations on energy-saving habits and equipment.
- 4. Upfront financing:** Better means of financing efficiency upgrades will make these projects less stressful for property owners. If a PACE financing program could be launched for commercial property, that could cover all project costs under a long-term loan.

Alternately, a "rebate assignment" financing arrangement would allow a capitalized program provider to immediately pay for the full portion of pre-approved project costs that will be covered by utility and program rebates. The property owner would assign payment of utility rebates directly to the program provider, and only pays out-of-pocket for the portion of the job cost not covered by rebates. This mechanism is already common among solar PV installers.