



Minnesota Chamber of Commerce
ENERGY SMART

2021

Energy Smart Annual Report



Minnesota Chamber of Commerce

ENERGY SMART

Program Summary

Energy Smart is a business energy efficiency assistance program developed by the Minnesota Waste Wise Foundation, a nonprofit affiliate of the Minnesota Chamber of Commerce, with the goal of leveraging connections to the business community via the Chamber.

Energy Smart provides a comprehensive energy efficiency consulting service, from initial meeting to project implementation. Energy Smart connects with small businesses by direct referrals from utility websites and representatives, as well as programs such as Xcel Energy's Partners in Energy, to word-of-mouth and business association sponsored initiatives. Energy Smart meets customers on-site to establish goals and perform a walk-through consultation identifying energy efficiency opportunities. A follow-up report is then delivered to the business with actionable steps to reduce energy consumption and participate in load management programs. To the best of our ability, we include all eligible financial resources available to the business. This may include loans, municipal grants, or mechanisms such as PACE. Energy Smart provides ongoing technical assistance to source and review equipment proposals, apply for utility rebates and enroll in next-step utility CIP programs that may benefit the business.

Since its founding, Energy Smart staff have met with over 4,000 businesses. Energy Smart's approach is unique in that it is not technology specific, attributed to the support of Xcel Energy and CenterPoint Energy as host utilities. Businesses with these utilities receive a single point of contact to navigate all gas and electric efficiency opportunities, and utility load management programs. This is extremely convenient for small businesses that lack extra time and staff dedicated to these pursuits.

Program Delivery

Energy Smart - Total Program 2021		Savings	
Program Services	Actual	kWh	Dth
Unique site visits completed	340	-	-
Active CIP services	1,689	-	-
Total active participants	458	-	-
Electric upgrades	178	6,771,610.82	-
Natural gas upgrades*	40	-	17,268.41

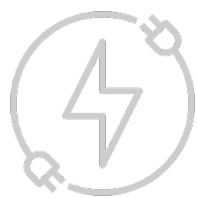
*Projects with electric and gas savings counted under gas = 13

Energy Smart - Xcel Energy Program 2021			Savings	
Program Services	Actual	Goal	kWh	Dth
Number of site visits completed	326	380	-	-
Number of times specific electric CIP information given	698	1,050	-	-
Number of times specific gas CIP information given	86	150	-	-
Number of times behavioral recommendations made	197	370	-	-
Commercial streamlined assessments completed	6	5	-	-
Electric upgrades completed after Energy Smart contact	174	100	6,402,087.39	2,272.50
Natural gas upgrades completed after Energy Smart contact*	20	7	280,274.43	3,770.30
Internal program cost per first-year kWh saved	\$0.07	-	-	-
Internal program cost per first-year Dth saved	\$3.45	-	-	-

Energy Smart - CenterPoint Energy Program 2021			Savings
Program Services	Actual	Goal	Dth
Number of site visits completed	196	205	-
Number of times specific gas CIP information given	353	325	-
Number of times behavioral recommendations made	127	190	11,225.61
Natural gas upgrades completed after Energy Smart contact	20	35	-
Internal program cost per first-year Dth saved	\$15.59	-	-

Energy Smart - Other Utilities Program 2021		Savings
Program Services	Actual	kWh
Number of site visits	13	-
Number of times specific CIP information given	11	-
Number of times behavioral recommendations made	4	-
Number of electric upgrades	4	89,249.00

Executive Summary



6,771,610
kWh saved



17,268.41
Dth saved



340
on-site
consultations



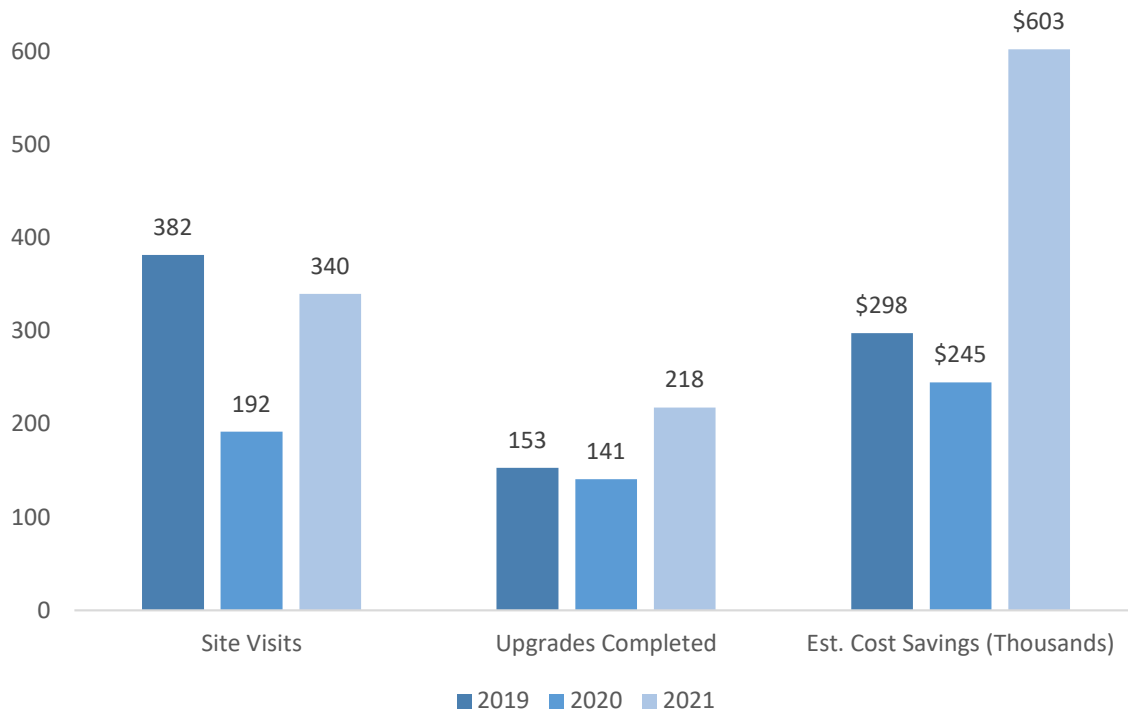
\$684,218
first year cost
savings

Despite a year that presented continued challenges, Energy Smart achieved highest recorded kWh saved since 2015 and highest Dth saved since the program's inception. Specialists recommended or followed up on 1,689 CIP program offerings with 457 participants across 106 cities in Minnesota in 2021, showing that energy efficiency is still a priority.

There are several strategies Energy Smart employed in 2021 contributing to this success.

1. Streamlined the internal referral process between participants of Energy Smart and their counterpart Waste Wise, which improves businesses' sustainability by mitigating waste. These referrals represented 20% of Energy Smart's site visits in 2021.
2. Formed direct partnerships with Lake Street Council, City of Minneapolis and other local business associations to support enrollment in Special Recovery and Rebuild Rebate programs. In the end, Energy Smart successfully enrolled 12 businesses in Xcel Energy's Special Recovery program and 15 in CenterPoint Energy's Rebuild program. This highlights Energy Smart's strength as a dynamic operation that reacts to community priorities and new utility offerings.
3. Broadened availability and increased funding of Energy Smart's Business Energy Efficiency Grant Program – a matching grant for energy efficiency projects that would not happen without additional incentive. Energy Smart stepped up to offer enhanced resources to encourage businesses to invest in energy efficiency during challenging times. These resources included higher project cost matching percentages for business sectors hardest hit by COVID-19 and the social unrest following the killing of George Floyd.
4. Hired new dedicated staff to improve marketing and engaged an outside marketing firm to begin assembling digital strategies to improve participation of Greater Minnesota small businesses. A focus of Energy Smart's 2021-2023 triennial filing is to provide greater services to businesses outside the seven-county metro area.

Energy Smart Results 2019-2021



**cost savings does not include natural gas cost savings*

2021 Cost/Benefit

Xcel Energy



Upgrades Estimated kWh
Saved:
6,682,362 kWh Saved



Upgrades Estimated Dth
Saved:
6,043



Internal Program Cost/kWh:
\$0.07
Internal Program Cost/Dth:
\$3.45

CenterPoint Energy

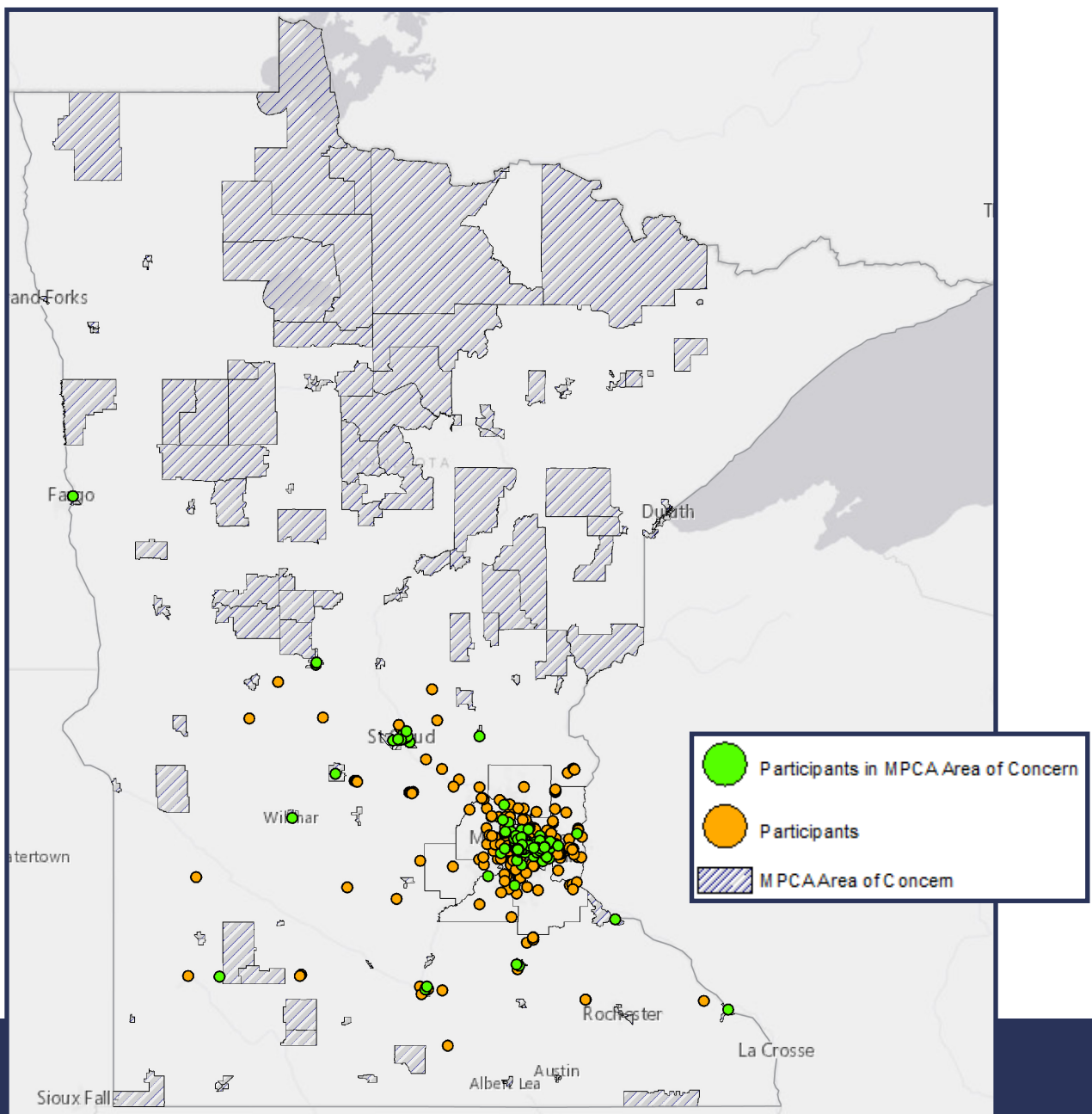


Upgrades estimated Dth
saved:
11,226



Internal Program Cost/Dth:
\$15.59

Outreach Methods



Energy Smart provided services to 457 businesses in 106 cities across Minnesota. Of the 1689 active services, 322 or 19% were located outside the seven-county metro area. Energy Smart is working to increase the number of services provided to Greater Minnesota businesses this triennial.

Energy Smart recently began using MPCA areas of concern for environmental justice to evaluate program delivery to underserved areas. The MPCA considers a census tract to be an area of concern if at least 40% of the population reported income less than 185% of the federal poverty level. In 2021, 46% of Energy Smart's participants were located within an area of concern. 85 of these participants were also outside the seven-county metro area.

Service Results

Xcel Energy Electric

	Actual	Goal
Energy consultations completed	326	380
Number of times specific CIP info given	698	1,050
Number of behavioral change recommendations	197	370
Upgrades	174	100

Xcel Energy Natural Gas

	Actual	Goal
Number of times specific CIP info given	86	150
Commercial streamlined assessments	6	5
Upgrades	20*	7

CenterPoint Energy Natural Gas

	Actual	Goal
Energy consultations completed	196	205
Number of times specific CIP info given	353	325
Number of behavioral change recommendations	127	190
Upgrades	20	35

Top 5 Efficiency Recommendation Areas:



1. HVAC-R



2. Lighting



3. Water Heaters



4. Commercial AC Control



5. Furnaces

Energy Smart is pleased with its 2021 performance. While we did not meet all of our goals, participation rebounded despite ongoing challenges.

Staff completed 340 new site visits in 2021, resulting in 218 equipment upgrade projects earning utility rebates. 178 of these projects were electric, with 13 having electric and natural gas savings*, and 27 having natural gas savings only.

Economic impact from these projects resulted in over \$3,800,000 of investment in energy efficiency, and \$900,000 in utility rebates. First year costs savings to businesses are estimated to be over \$684,000.

Upgrade Results

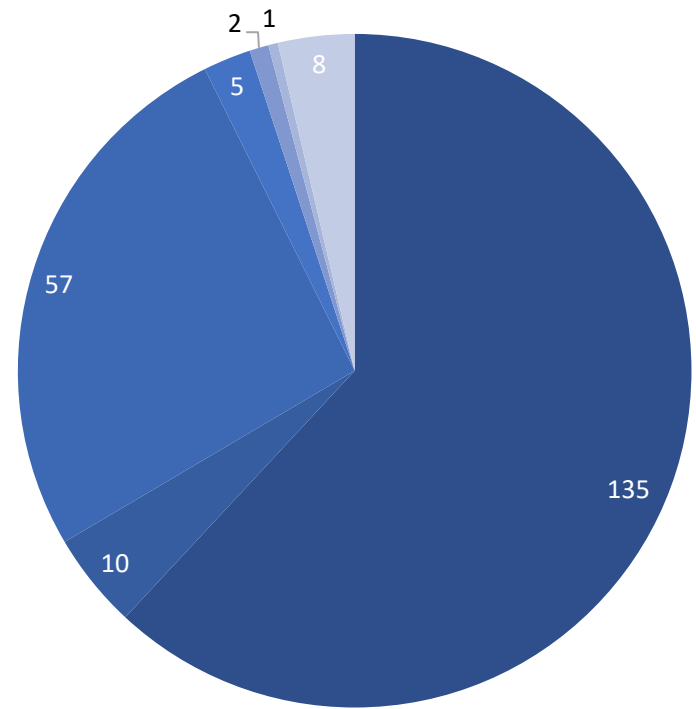
178
electric upgrades

40
natural gas upgrades

6,771,610
kWh saved

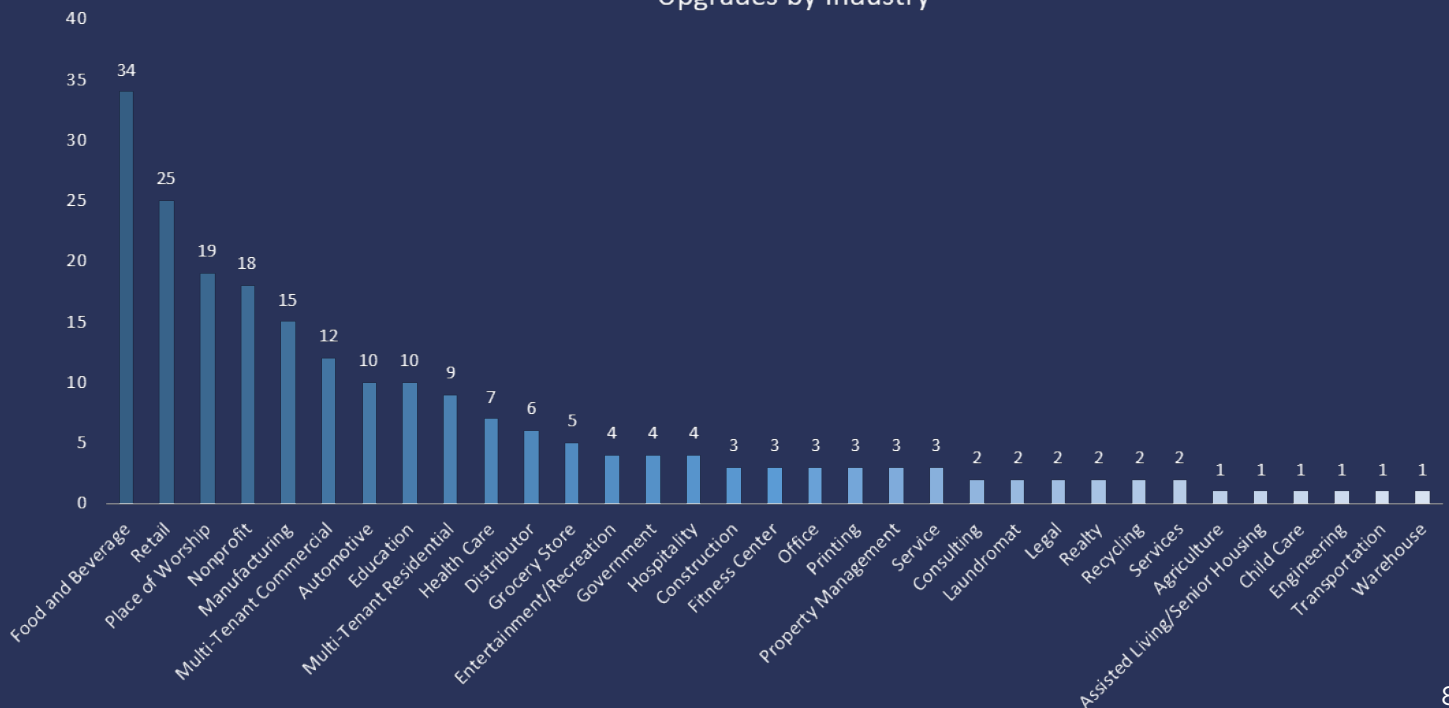
17,268
Dth saved

Upgrades by Type



■ Lighting (135) ■ Foodservice (10)
 ■ HVAC and Refrigeration (57) ■ Controls (5)
 ■ Compressed Air (2) ■ Commercial Laundry (1)
 ■ Custom/Other (8)

Upgrades by Industry



Marketing



Marketing and outreach has traditionally been a team effort at Energy Smart. In 2021, we made the strategic decision to hire a new staff member to specialize and increase the impact of our marketing. This led to the formation of our quarterly newsletter, *Current News*.

The Minnesota Waste Wise Foundation has also engaged an outside marketing firm to bring the team into the future by implementing new forms of digital media. We believe these strategies are key to improve participation in underserved and hard to reach areas of the state.

The Minnesota Chamber of Commerce features Energy Smart through routine promotional materials sent to 11,000 member contacts.

Success Story

Gruber Pallets Inc.

Stacking up savings!

Gruber Pallets Inc. (GPI) was looking for ways to reduce their energy bills and brighten their dark production area when they connected with Energy Smart. GPI is a family-owned business in Lake Elmo, Minnesota that builds, repairs, and supplies pallets.

During an Energy Smart consultation visit an energy efficiency specialist agreed that a lighting upgrade would make a big difference in their energy usage. Energy Smart helped GPI apply for the Business Energy Efficiency grant for the lighting project, in addition to the almost \$10,000 in rebates from Xcel Energy.

GPI has already used the expected annual cost savings from the efficiency improvement to supply their employees with new boots. As GPI plans future upgrades, they would like a new building with a layout more efficient for the business. Energy Smart looks forward to supporting this businesses' big efficiency dreams.



Highlights:

\$9,949.04 in rebates

77,874.67 kWh saved annually

\$5,167.93 in annual cost savings

\$4,000 in grant funds

"Energy Smart was instrumental in helping us navigate the rebate application process with Xcel. Their grant made our project an affordable reality. Since the project was completed, the updated lighting has made the production floor safer."

Wendy Buie

Success Story

Park Tavern

St. Louis Park bowling alley and restaurant pursues two high-level energy audits in preparation for equipment investments.

In the summer of 2021, Park Tavern was referred to Energy Smart by the City of St. Louis Park. With inevitable equipment replacements on the horizon, Park Tavern owner, Phil Weber, was eager to investigate potential rebate and grant opportunities before collecting project estimates.

Per Energy Smart's recommendation, Phil started this process by pursuing two high-level energy audits: Xcel Energy's Commercial Streamlined Assessment and CenterPoint Energy's Natural Gas Energy Analysis. By completing these audits, Park Tavern now has access to higher utility rebates, capturable within one year of the audit.

Additionally, the high efficiency equipment Park Tavern invests in qualifies for St. Louis Park's Climate Champions grant and the Minnesota Chamber of Commerce's Business Energy Efficiency Grant Program. Lastly, Phil is planning to participate in the Saint Paul Port Authorities Trillion BTU financing program. This program will establish a positive cash flow payment schedule with energy savings exceeding the payment obligation. With these financial incentives in mind, Phil can invest with more confidence in new bowling equipment and rooftop units.



Highlights:

44,943 kWh saved annually

\$5,023 in first year cost savings

\$17,480 in grants and rebates

31.9 metric tons in avoided CO₂ emissions

"Energy Smart is helping me make necessary efficiency investments that otherwise would be financially unattainable. Updating my AC units and bowling equipment will benefit the environment and allow me to cut long-term operating costs."

Phil Weber

Success Story

Wyoming Machine

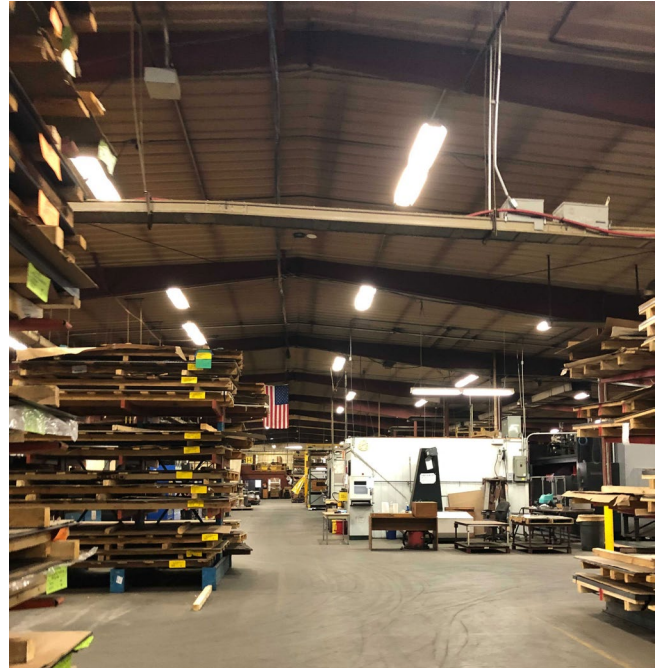
Metal fabrication company brightens up operations and sees substantial electric savings.

Referred by The Retrofit Companies, Energy Smart began a partnership with metal fabrication company, Wyoming Machine in the summer of 2021. A woman-owned family business located in Stacy, Minnesota, Wyoming Machine produces important metal parts that contribute to a range of end products from medical equipment to heavy machinery.

Financial support from Energy Smart's Business Energy Efficiency Grant Program allowed the business to pursue a lighting update. Due to COVID-19 supply chain disruptions, and the financial strain it put upon the business, Wyoming Machine was eligible for additional grant dollars. Lighting across the manufacturing floor was updated from fluorescent tubes to LED T8 lamps, improving light quality and increasing safety.

In total, Wyoming Machine captured \$12,879.93 in rebates from Xcel Energy and \$4,000 in grant funding from Energy Smart. The business is predicted to conserve 100,241 kWh which amounts to \$7,389 in annual cost savings.

With extensive manufacturing equipment, compressed air, and HVAC systems to maintain, Energy Smart looks forward to partnering with Wyoming Machine on equipment updates in the years to come.



Highlights:

100,241 kWh saved annually

\$4,491 in first year cost savings

\$16,879.35 in grants and rebates

71 metric tons in avoided CO₂ emissions

"Energy Smart's grant made the lighting project easier to approve by management" says Tom LeTourneau head of maintenance at Wyoming Machine. "Since project completion, we use a third less energy. As an added bonus, in 16 months our project costs will be paid in full, and it will be nothing but money in the bank for the business."

Success Story

Sooki & Mimi

Cooking up efficiency!

Energy Smart was introduced by Lake Street Council to the asset managing company, Vestalia Hospitality in 2020, where upon energy assessments were completed across their portfolio of facilities. While operations and maintenance were the primary focus at existing buildings, the new construction for Sooki & Mimi provided an opportunity to influence efficiency decisions during the design phase.

A holistic approach was taken to review efficiency measures for mechanical equipment. Energy Smart assisted in navigating a custom rebate process for the variable refrigerant flow (VRF) technology installed to optimize efficiency and comfort. VRF technology is a heat pump system, designed to exchange heat from one zone to another, which can be particularly valuable in a restaurant setting with such unique temperature requirements.

Ultimately, rebate and grant incentives were leveraged to supplement the capital expense of projects for the commercial water heaters, demand controlled kitchen ventilation and convection oven. Moving forward, Energy Smart looks forward to providing continued assistance to Vestalia Hospitality as they pursue deeper energy savings solutions.



Highlights:

\$10,711.36 in utility rebates

\$6,333 Business Energy Efficiency Grant +
Minneapolis Green Business Cost Share

828 dekatherms saved annually

79,344 kWh saved annually

\$13,695 in first year cost savings

110 metric tons of CO₂ emissions avoided

"The whole process, from start to finish, was very simple due in no small part to Energy Smart's guidance, knowledge, diligence, responsiveness and support."

*Vestalia
Director of Operations*

Success Story

HD Laundry

No green washing here!

HD Laundry was deemed a total loss due to fire damage during the civil unrest in the summer of 2020 following the aftermath of George Floyd's death. The following 18 months required navigating logistical hurdles to re-open including; insurance claims, permitting processes, design phase, delayed lead time on purchase orders and of course, the Covid-19 pandemic.

CenterPoint Energy and Xcel Energy offered recovery services to those that were impacted by the social unrest. HD Laundry was already enrolled in Xcel Energy's Special Recovery Rebate program which provided free implementation assistance via their Commercial Streamlined Assessment and double rebates for qualifying, high efficiency equipment, installed. Energy Smart assisted in the process of enrolling HD Laundry in CenterPoint Energy's REBUILD program which similarly offered a free energy audit/design assistance and triple rebates for qualifying, high efficiency equipment.

CenterPoint Energy's commercial laundry rebate program incentivizes efficient laundry processes. Ozone (O_3) units inject the O_3 gas into the water stream of washing machines. The ozone loosens linens/fabrics which allows for more effective cleaning, with colder temperature water and less water overall. Natural gas savings are realized due to reduced hot water use. Energy Smart encouraged HD Laundry to collect an estimate from their equipment vendor and evaluate how the rebate could offset the capital investment. CenterPoint Energy approved a rebate solution to the tune of \$36,125. HD Laundry has successfully re-opened and operating at the Hi-Lake Shopping Center since October of 2021.



Highlights:

\$36,125 in utility rebates

6,000 dekatherms saved annually

\$36,000 in estimated energy cost savings

350 metric tons of CO_2 emissions avoided

The ozone injection technology will help HD Laundry realize an estimated \$36,000 in annual cost savings.

Conclusion



At Energy Smart, we are honored to leverage our expertise and experience to help the Minnesota business community thrive.

2021 was another year of adversity as COVID-19 continued to affect the business community in Minnesota and across the globe. We continued working through those challenges and have focused on assisting businesses as they navigate the new work environment with hybrid work models, COVID-19 protocols, and all the other challenges facing the Minnesota business community. We have adapted our strategies during this time to better serve all business sectors in order to help them achieve their sustainability and energy efficiency goals. We are proud to work with Xcel Energy and CenterPoint Energy throughout their Minnesota service territories to help businesses access rebates and grant opportunities to enact changes and make a difference in Minnesota. These rebates and grants support the capital infrastructure that a business needs to implement lasting changes that benefit the business and the environment for years to come.

Energy Smart has also experienced growth through additional funding from the Triennial filing. This has allowed us to increase our staff capacity to help more businesses in Greater Minnesota access rebates and assistance. Individual consultations with businesses are the most effective way to enact changes and this added capacity will allow us to continue to do this work. We have increased our outreach work through social media campaigns and newsletters to promote energy efficiency measures even while not on site. As we move into 2022 and beyond, we continue to look for opportunities to increase our reach within diverse business communities and to find new ways to help them achieve their sustainability and energy efficiency goals.

We look forward to a new year and doing all we can to continue to assist and support businesses and the communities they serve in Minnesota. It has been a pleasure to work with our partners and programs to build an increasingly energy efficiency and resilient economy in Minnesota.

Rob Friend
Executive Director



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ENERGY SMART

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This report was submitted by the Minnesota Waste Wise Foundation on May 2, 2022.

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