Boosting Energy Efficiency and Economic Development through Chambers of Commerce

The Institute for Market Transformation (IMT)
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Project Summary

Timeline:
Start date: September 1, 2016
Planned end date: August 31, 2019

Key Milestones
1. Owners and tenants of 400 buildings participate in project activities and 200 energy assessments completed; June 2017
2. Hosted an Energy Efficiency Symposium; September 2017
3. 300 energy assessments completed; December 2017

Budget:
Total Project $ to Date:
• DOE: $262,712
• Cost Share: $544,072

Total Project $:
• DOE: $829,994
• Cost Share: $856,210

Key Partners:
- The Institute for Market Transformation (IMT)
- Greater Cleveland Partnership/ Council of Smaller Enterprises (GCP/ COSE)
- Chapel Hill-Carrboro Chamber of Commerce
- TraverseCONNECT
- Great Plains Institute and Lake Street Council (“Twin Cities Small Business Energy Initiative”)
- Small Business Association of Michigan (SBAM)

Project Outcome:
Small and medium-sized buildings make up more than 90% of the U.S. commercial building inventory square footage and are often occupied by small businesses. Reaching this market requires a multi-faceted approach by partnering with their trusted though leader-the chamber. The project provides energy efficiency education paired with tailored technical and financial resources to chamber leaders and their small business members. The goal is to solidify an energy efficiency model that is applicable to any chamber or membership organization in the country to execute and maintain.
Team

**PROJECT LEADS**
Aligns project goals to individual market needs; identifies best practices for small businesses to execute; provide technical guidance on energy efficiency programming to chamber leaders

- **Washington D.C.:** 35 staff
- Technical experts in building energy efficiency policy and programming

- **Cleveland, OH:** 10,000 members
- In-house energy audit program funded by utility

**PROJECT PARTNERS**
Lead engagement of local businesses and identify energy efficiency champions; align chamber objectives with new and existing energy efficiency programs

- **Chapel Hill, NC:** 750 members
- Enhancing utility-run program with leads and expertise

- **Traverse City, MI:** 1,500 Members
- In-house revolving loan fund funded by utility

- **Minneapolis, MN:** 1,400 members
- Leads a steering committee in Twin Cities for effective energy efficiency programs

- **State of Michigan:** 20,000 members
- Delivers energy efficiency programs for businesses not covered under existing utility
Challenge & Approach

- Small and medium-sized buildings (<100,000 SF) account for over 90% of U.S. commercial buildings (Source: U.S. DOE) and are often occupied by small businesses.
- These space types are difficult to engage due to:
  - lack of energy-saving expertise
  - limited access to cash or debt
  - reduced staff time to make operational changes
- Engaging small businesses requires partnering with organizations they already work with and value such as the Chamber: the trusted community mediator.
- Empower chambers to deliver energy services for their members by engaging key efficiency influencers.
- Through chamber leadership, engage small businesses to improve efficiency of small-to-medium buildings.
Approach

Building Off Proven Success: Cleveland Pilot

2 year pilot (2014-2016) with IMT and GCP/COSE

- 250+ small businesses (7 million square feet) participated in:
  - Green leasing consultations
  - Energy efficiency workshops
  - Energy audit consulting
  - Energy improvement technical assistance

6,052 metric tons of CO$_e^2$ in potential savings
Approach

Small businesses need access to energy efficiency information

- Find small business through their trusted network – the Chamber
- Pair basic energy education with easy steps for improvement

Small businesses do not have time and money for energy efficiency

- Present business owners with near-immediate availability of local services such as:
  - energy assessments
  - lease reviews
  - trusted contractors
  - financing opportunities

“As the leader of our chamber of commerce, I connect our members to resources they need to be successful. We’re working to be an energy-efficiency leader by example and also a coach and advisor to our members.”

-Aaron Nelson, president and CEO, Chapel Hill-Carrboro Chamber of Commerce.

“Energy efficiency is great for our businesses because the vast majority are 50 employees or less. A big reason they become chamber of commerce members is to leverage incentives to save money, so efficiency helps boost their bottom line.”

- Leonardo McCarty, president and CEO of Howard County Chamber of Commerce.
Impact

Phase 1: Education & Outreach
Address informational barriers
Host Energy Efficiency Symposium
400 Businesses Reached

Phase 2: Energy Assessment and Lease Review
Overcome Technical Barriers
Energy Assessments
Green Lease Reviews
400 Energy Assessments
30 Green Lease Reviews

Phase 3: Financing & Retrofit
Mitigate Transactional Barriers
Business receive retrofit and financing administrative support
65 businesses complete energy improvements

Phase 4: Longevity and Scaling
Project Expansion and Refining Best Practices
2 case studies
Best practices guide
1 Additional Organization Joins

Year 1

3+ chamber-like organizations with distinct geographies and unique energy efficiency opportunities representing 12,250+ small businesses.

Year 2

85 billion BTU or $2.5 million in potential energy savings for 400 small to medium-sized buildings.

Year 3

April 2018
Energy assessments and green leasing efforts have uncovered **97 Billion BTU or $2.9 million+** in potential energy savings for **7.5 million SF** of space.

Assessment uncovered average **21.3%** potential annual energy reduction.
Objective: Chambers learn to craft an energy efficiency program

Turn-out: 15 organizations, representing 55,000 businesses from all over the country.

Results: 2 additional organizations join the Initiative; resource guide with best practices
Progress

Pairing Audits with Green Leasing

- Businesses partnered with GCP/ COSE to complete audits at 5 locations
- IMT reviewed their lease and made suggestions for improvement
- Took advantage of chamber’s natural gas aggregation program

- $11,198 in potential annual savings from ECMs
- $3,632 in savings from natural gas aggregation
Progress

Fueling Small Business Savings through Energy Efficiency Financing

• Chamber subsidiary administers interest-free loan funds for 12 businesses
• Fund started with $50,000 (2012) grown to $6 million (2017)
• Mission supports economic growth and community development through funding options

- Type of Project: LED lighting upgrades
- Investment: $25,000 loan over 2 years
- Payback period: 18 months
- Savings: $5,000 – $6,000 annually
Stakeholder Engagement

**Small Business Outreach**
Project partners reach small businesses through door-to-door outreach, cold-calling, traditional promotional campaigns, and targeted seminars.

**Lender Engagement**
In Cleveland, COSE presents their audit findings with financial opportunities featuring a preferred lender.

**Utility Engagement**
In North Carolina, the Chamber promotes the utility’s free audit program featuring 0% financing for improvements with co-branded materials.

**Local Government Engagement**
In Traverse City, the Chamber aids in helping their members navigate improvement rebates and incentives from the State-run Michigan Saves program.
Stakeholder Engagement

Lessons Learned

• Motivating small businesses requires a multi-faceted approach
  – To increase improvement uptake, assemble resources (cost analyses, lease administration, recommended contractors, rebates & incentives administration, etc.) to remove transactional barriers.
  – Small business respond best to door-to-door engagement, cold calls, and in-person consultations, rather than traditional promotional efforts like mail and social media campaigns.

• Build on existing energy efficiency programs and other local infrastructure
  – Chambers and similar organizations can easily start their energy efficiency program when existing programs from the utility, lenders, or local governments are readily available and are open to collaboration.
  – Design educational programs to be locally relevant. Feature local energy efficiency business champions to inspire small businesses. Co-host events with community stakeholders (utilities, local government, non-profits universities, etc.) who can advertise attractive energy-saving opportunities.
Remaining Project Work

• Develop best practices resources – May 2018
  – New chamber resource guide will feature checklists and templates designed for chambers to engage key stakeholders

• Onboarding and approach refinement for new organizations – June 2018
  – Twin Cities Small Business Energy Initiative
  – Small Business Association of Michigan

• Assisting small businesses in overcoming informational and transactional barriers – August 2019
  – Energy assessments to identify cost-effective efficiency solutions for 70 small businesses
  – 18 green lease reviews and executed revisions to overcome the split incentive
  – Financing and contracting services and solutions guidance for energy efficiency improvements for 18 small businesses
  – 4 seminars for small- and medium-sized building market about local utility expense saving solutions

• Measurement and verification – August 2019
  – Track energy and dollar savings related to completed energy improvements
Thank You

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202-525-2883 x 324 | lotte@imt.org
REFERENCE SLIDES
**Project Budget**

**Project Budget:** The U.S. Department of Energy has approved a project budget total of $1,686,203, with $829,993 (49.2%) in federal funds and $856,210 (50.8%) in cost share.

**Variances:** Variances occurred related to how energy assessments were to be completed. Budget shifts occurred which allowed for additional chamber organizations to join the Initiative.

**Cost to Date:** $806,784 (47.8%) has been spent to date.

**Additional Funding:** GCP/ COSE and Chapel Hill-Carrboro Chamber of Commerce are collectively providing 50.8% in cost share.

### Budget History

<table>
<thead>
<tr>
<th></th>
<th>September 1, 2016– FY 2017 (past)</th>
<th>FY 2018 (current)</th>
<th>FY 2019 – August 31, 2019 (planned)</th>
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<tr>
<td>DOE</td>
<td>$119,845</td>
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<td>$206,102</td>
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## Project Plan and Schedule

<table>
<thead>
<tr>
<th>Task and Milestone</th>
<th>Anticipated Completion Date</th>
<th>Actual Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Past Work</strong></td>
<td></td>
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<tr>
<td>Task 1.1.0: Energy efficiency and financing eco-system created</td>
<td>Feb 2017</td>
<td>Jun 2017</td>
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<tr>
<td>Task 1.1.1: Execute a KABB survey</td>
<td>Nov 2016</td>
<td>May 2017</td>
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<tr>
<td>Task 1.2.1: Distribute educational collateral to chambers</td>
<td>Jan 2017</td>
<td>Dec 2016</td>
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<td>Task 1.2.2: Conduct local chamber energy efficiency seminars</td>
<td>Nov 2016</td>
<td>Mar 2017</td>
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<td>Task 1.3.1: Host energy efficiency symposium</td>
<td>Jul 2017</td>
<td>Sept 2017</td>
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<td>Task 1.3.2: Reconnect twice with Symposium participants</td>
<td>Apr 2018</td>
<td>Dec 2017</td>
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<td>Task 1.4.1: Chamber membership reviewed for likely participants</td>
<td>May 2017</td>
<td>Jul 2017</td>
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<tr>
<td>Task 2.1: Up to 200 audits completed</td>
<td>Aug 2017</td>
<td>Dec 2016</td>
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<td><strong>Go/ No Go 1: 400 participate in project, 200 audits completed</strong></td>
<td>Aug 2017</td>
<td>Jul 2017</td>
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<tr>
<td>Task 2a.1: Up to 300 audits completed</td>
<td>Aug 2018</td>
<td>Dec 2017</td>
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<td>Task 3.1: 5 Leases Reviewed</td>
<td>Aug 2017</td>
<td>Jul 2017</td>
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<td><strong>Go/ No Go 2: 300 audits completed.</strong></td>
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<td>Dec 2017</td>
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<td>Task 4.2: 25 small businesses utilize third party contractors or financing</td>
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<td>Mar 2018</td>
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<td>Task 5.1.1: Create 2 case studies</td>
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<td>Feb 2018</td>
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<td><strong>Active Task (in progress work)</strong></td>
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<td>Task 2b.1: Complete 400 audits</td>
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<td>Task 3a.1 15 leases reviewed</td>
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<td>Task 3b.1: Reconnect with at least 10% of Task 2 participants</td>
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<td>Task 3b.2: 1 participating business executes a green lease</td>
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<td>Task 3c.1: 30 leases reviewed</td>
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<td>Task 4.1: Energy efficiency financing feasibility study</td>
<td>Jul 2018</td>
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<tr>
<td>Task 4a.1: 65 small businesses utilize third part contractors or financing</td>
<td>Aug 2019</td>
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<tr>
<td>Task 5.1: Project summary report sent to current and future markets</td>
<td>May 2018</td>
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<tr>
<td>Task 5.1.2: Solidify project findings in project summary report</td>
<td>May 2018</td>
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<td>Task 5.1.3: Generate project expansion feasibility report</td>
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<td>Task 5.2.1: Execute a post-KABB survey</td>
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<tr>
<td>Task 5.3.1: Meet with partners to discuss project sustainability</td>
<td>Apr 2019</td>
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