

One-2-Five Energy Program

1. Projected Program Budget	\$	500,000
2. Projected Program Impacts		
MWh		n/a
MW (Summer Peak)		n/a
3. Program Cost Effectiveness		
TRC		n/a
PAC		n/a

4. Program Descriptors

Market Sector: Non-Residential (Food Processing Businesses)

Program Classification: Statewide

Program Status: New

5. Program Statement

EnVINTA Sustainable Energy Efficiency Development (SEED) program is as an energy management program for the food processing industry. SEED will improve the energy performance of manufacturers, using a continuous improvement methodology. This is the classical approach to drive continuous improvement in other management disciplines, now being successfully applied for energy management. The program will engage the top management of Californian food processing companies, driving savings through improved business practices and application of energy efficient and load response technologies.

The program also focuses on a continuous improvement methodology that has repeatedly delivered ongoing savings through enhanced business practices and the application of energy efficient and load response technologies. EnVINTA's SEED Program entails five key steps:

Step 1: Customer Recruitment

Step 2: Initial Management Diagnostic and a Technical Site Audit

Step 3: Detailed Implementation Support

Step 4: Repeat Diagnostic

Step 5: Documentation, Reporting and Success Story Dissemination

6. Program Rationale:

The key to the proposed SEED program is a business based continuous improvement methodology. This is a completely complementary approach to a more traditional approach for driving energy savings. In most traditional DSM programs, it is assumed that the customer is not committed to making energy savings and rebates are therefore used to try to overcome that barrier. In the SEED program, management commitment combines with staff competency and commitment to build encouragement for companies to drive an on-going process that substantially reduces these barriers to implementing energy efficiency improvements.

7. Program Outcomes

SEED will generate savings in the following ways:

- By engaging senior industry decision makers in energy management, helping businesses to define their key energy management needs, and establishing processes to support achievement of on-going improvements and strategies to overcome barriers.
- By providing coaching support to facilitate implementation of energy efficiency within organizations.
- By increasing the range of savings targeted by DSM programs through effectively targeting and achieving operations and maintenance savings in core process. This allows for further substantial enhancement in sector savings.
- By driving on-going demand for DSM through a continuous improvement approach. The program supports implementation of critical changes in management policies and practices, creating a much larger pool of committed companies conducting repeat energy projects on their own merit. These improvements include establishment of formal savings policies/commitments, targets and key performance indicators/metrics, enhanced management reporting, equipment procurement procedures, personnel accountabilities, operations and maintenance procedures (focused on energy intensive processes), and enhanced procedures relating to quality of supply and load management.
- Through increased program participation in the full range of SCE's DSM programs. SEED exposes senior managers to SCE's programs, and effectively links customer needs to the programs to greatly increase the uptake of the DSM programs.
- By substantially enhancing the marketing of SCE's DSM programs in the food processing sector by providing a customer-focused and integrated view of energy and SCE's DSM offerings to customers. SEED assists companies to review all aspects of energy management (energy efficiency, purchasing and rates, load response, and quality of supply/distributed generation) to prioritize their needs. These are used to define DSM programs that best meet these needs. Most customers do not understand their business energy needs until they conduct this process.

8. Program Strategy

EnVINTA's Sustainable Energy Efficiency Development Program:

- Builds management commitment together with a bottom-up approach engaging staff (accountabilities and training/competency building)
- Is an integrated and holistic program which is business process based, not just technical
- Utilizes industry best practice decision support tools to assist companies to identify their priorities;
- Provides 'coaching' support – SEED consultants work with the company team as a coach to overcome obstacles to progress and support on-going achievement of savings
- Integrates energy into existing company systems, such as quality and environmental, so it becomes a core part of business
- Involves companies making an on-going commitment to continuous improvement, rather than just selling a series of one-off projects. This drives a permanent market for energy efficiency

9. Program Objectives

The SEED program will market to a targeted group of 60 companies and will aim to engage 30 large (e.g. >0.5MW load) customers in the food processing sector (SIC20) for participation. EnVINTA will work with industry associations and SCE account managers to help recruit customers to the program. All participants will be engaged in a management diagnostic, resulting in a 180-day savings plan and practices benchmarking report comparing business

practice against peers. Customers will be provided with consulting follow-up, linked to the SCE DSM programs that best address their identified needs, and to self-help tools to support management system improvements.

Based on past programs, EnVINTA expects 65-75% of participants at this stage implement energy efficiency improvements as a direct result of the program. Competitive basis, 5 participants would be offered the opportunity to participate more intensive support phase of the program moving them towards achievement greater energy savings. These companies will be 'coached' through consulting support for the client team to define and implement energy savings activities practice changes that can be implemented in their first 180-day plan. Participating companies will contribute 50% of the cost of coaching.

These companies are expected to identify savings of at least 3-5% of their existing electricity use and often significant load management opportunities (experience shows that some of these companies ultimately achieve up to 10-15% energy savings). The cycle will then continue with a repeat diagnostic and updated savings plan for the next 180-days.

10. Program Implementation

Task 1 – Confirm Timeline, Marketing Plan, and Pricing with SCE

Following contract award, EnVINTA will work with SCE to confirm the implementation timeline and confirm details of any negotiated variations in scope.

Deliverable and Due Date: Any required changes to the project marketing plan, unit pricing, and clarification in staffing and staffing rates shall be completed within 10 days upon SCE's request.

Task 2 – Submit SCE Approved Purchase Order Kit

On selection for contract negotiations, EnVINTA will prepare a purchase order kit containing the following documentation that will be developed and reviewed in close consultation with SCE.

- Stage 1 - Program Procedures and Process Flow Diagram
- Stage 2 - Scope of Work Document
- Stage 3 - Program Budget
- Stage 4 - Contract Type and Implementation Specifications:

Task 3 – Build Tracking System

EnVINTA will utilize its existing web-based survey system to deliver the tracking system. These web-delivered surveys are constructed by defining the form and content of questions and survey pages in various data tables. EnVINTA will construct survey forms to capture the key data required by SCE to track the SEED projects. Details of program participants and of projects identified through diagnostic sessions, technical studies, coaching and other activities conducted during the course of the program will be entered into the tracking system via custom forms. Each web-delivered survey will include a number of custom reporting options, and Envinta will implement a report that provides the data required by SCE in the desired format.

Additional information will be captured for both ‘installed’ and ‘committed’ projects, including:

- Total dollar amount installed/committed-to-date;
- Total installed/committed kW demand reduction-to-date (using program assumptions);
- Total installed/committed kWh savings-to-date (using program assumptions);
- Total number of installed/committed customers (based on assigned project number);
- Number of customers installed/committed.

Task 4 – Develop Marketing Materials and Obtain Approval from SCE

EnVINTA will prepare professional marketing materials in hard copy, PDF and PowerPoint format for mailing and presenting to prospective businesses. The marketing materials shall clearly convey the value proposition to the business of program participation. Materials shall be supported by case studies detailing business achievements from programs using the SEED program principals.

Deliverables and Due Dates:

- Program brochure including flow diagrams, program description and value proposition
- Program Introductory Presentation for use in meetings with target businesses, conferences and industry association meetings
- Memorandum of Understanding for engaging businesses from Stage 3.1 of the program
- All materials will be developed in close consultation with SCE and approved by SCE prior to use
- Marketing materials will be prepared within 3 weeks of contract award, with a further 2 weeks for SCE approval. For printed materials an additional 2 weeks will be required.

Task 5 – Implement Marketing Campaign

The foundation of EnVINTA’s marketing plan is firstly to qualify and then to engage with potential program participants, both through a direct marketing approach and through industry associations (such as California League of Food Processors).

During the initial steps of the SEED program’s marketing approach to recruit businesses, EnVINTA will work from the industry association’s customer lists, any available SCE customer lists and EnVINTA’s own business contacts. By using this approach, EnVINTA will be able to identify the firms within targeted industries that are most likely to benefit from the program offerings.

Deliverables and Due Dates:

- Prepare target customer list and industry associations in consultation with SCE program manager within 3 weeks of contract award
- Prioritizing target customers based on business characteristics (such and ISO 9000 certification, participation in earlier voluntary programs) within 5 weeks of contract award
- Commence customer marketing and marketing through industry associations from 5 weeks of contract award

Task 6 – Enroll Customers

Enrollment in EnVINTA’s SEED program will take the form of a two-stage process.

Stage 1

Prior to the initial management diagnostic session, EnVINTA will seek a written commitment from business participants. The business will commit to making both senior management and site personnel available to attend the diagnostic and review process and to participate in developing the initial Action Item Plan.

During this initial diagnostic session Envinta will introduce all the key SCE programs to the business. The immediate follow up session from the diagnostic will specifically link all the identified customer priorities with the other SCE programs most appropriate to assist the business. For all customers, EnVINTA will provide follow-up calls to the individual business to ensure that the customer was linked with the appropriate programs.

Stage 2

The second stage of the enrollment process occurs after a participant has received its Management Benchmarking Report and Action Item Plan. Participants will be given the opportunity to enroll in the more intensive implementation phase of the program. This will be offered on a competitive basis with limited entry. Participants will be required to sign a Memorandum of Understanding. The document will be a voluntary agreement confirming that the business will implement cost-effective action items and contribute time and materials to match the support provided to them through the program.

Task 7 – Perform Program Services

Following customer enrollment in the program, EnVINTA will commence by facilitating an energy management diagnostic session with the business management team of each business. The diagnostic session will be followed by:

- Validation of the diagnostic results;
- A high level technical site audit;
- Preparation of an energy management benchmarking report; and,
- A comprehensive review with the management team.

Deliverables and Due Dates:

- Conduct energy management diagnostic with each program participant within 3 months of business enrolling in program (based on business availability);
- Conduct high level technical review with each program participant within 3 months of business enrolling in program (based on business availability);
- Provide energy management diagnostic, high level technical review and energy management benchmarking reports within 2 weeks of conducting energy management diagnostics;
- For 5 businesses, provide agreed detailed implementation support and conduct energy management diagnostic review within 12 months of business signing MoU.

Task 8 – Inspect Installed Jobs

- For large capital projects - either an inspection on implementation and monitoring, or a calculation based on agreed savings and parameters, and measured hours run;
- For non-capital projects - businesses will be required to have formally documented procedures or monitoring of performance and a routine audit process to ensure the procedures are being maintained.

EnVINTA will seek feedback at set points in the program:

- Repeat the energy management diagnostic, immediately provides feedback on the effectiveness of the program.
- Throughout the duration of the program EnVINTA will continually seek feedback on the effectiveness, strengths and weaknesses of our continuous improvement methodology;
- The final step (Documentation and Case Studies) will further identify strengths and weaknesses of our program.

Deliverables and Due Dates: Conduct activities detailed above on an on-going basis during the program.

Task 9 – Remedy Installation Issues

This task has previously been discussed as part of Task 8. If the repeat diagnostic does not see an improvement in the star rating, we will work with management to firstly gain their support for the process, and secondly to identify a number of quick wins that do not require capital expenditure. Quick win actions will be identified for their certainty to deliver savings and, in our experience, these quick wins can always be found.

Deliverable and Due Dates:

- In consultation with SCE account managers, EnVINTA will develop a feedback survey question set. This will be done within one month of receiving approval to proceed;
- Deploy this survey on EnVINTA's web delivered survey platform;
- Provide all participants with access to the web survey form or a paper version;
- Provide SCE with access to the web survey results. This will allow program managers to view customer feedback as required.

Task 10 – Perform Customer Satisfaction Surveys

EnVINTA will measure the value of the program from the customer's perspective and use this feedback to improve the process. EnVINTA will also seek feedback from customers both formally and informally during the latter stages of our program. Formal feedback will be gathered via a customer satisfaction survey.

Deliverables and Due Dates:

In consultation with SCE, EnVINTA will develop a feedback survey question set. This will be done within one month of receiving approval to proceed:

- Deploy this survey on EnVINTA's web delivered survey platform
- Provide all participants with access to the web survey form or a paper version
- Provide SCE with access to the web survey results. This will allow program managers to view customer feedback as required

Task 11 – Address Customer Satisfaction Issues

Overall program success will hinge not only on EnVINTA's performance during program implementation, but also on the quality and responsiveness of their customer service should any problems arise. They will therefore have in place customer dispute resolution capabilities with office-based customer service representatives who will communicate any issues immediately to the program manager or other appropriate personnel.

The SEED program will maintain a tracking database of all customer complaints regarding the program. The program team will contact each individual submitting a complaint, and document the complaint and the resolution method in the program database. The conversation will be followed up with a confirmation letter. The database will be updated in real time allowing the program team to review inputs to see if any trends are evident then proactively adjust services to better meet customer expectations.

Task 12 – Invoice SCE for Completed Jobs

EnVINTA will develop and provide an invoicing schedule and delivery plan that meets SCE's needs based on the agreed schedules.

Deliverables and Due Dates: Invoicing will be conducted on a monthly basis or at an alternative interval agreed with SCE

Task 13 – Perform Program Reporting

The EnVINTA team will submit monthly and quarterly reports as part of the SEED program process. The program will collect data necessary to satisfy program process and impact evaluation requirements. This will include an analysis of industry needs from the benchmarking database to define common needs, which can also be used in the design of future DSM programs. Reporting will be linked to invoicing as described in Task 12 and include flat files from the program reporting database and budget workbooks. Additionally, requests for ad-hoc reporting will be made available to SCE.

Task 14 – Program Ramp Down

In order to ensure the program is completed prior to December 31, 2007, program 'ramp down' shall include:

- Completing initial diagnostics by June 30, 2007
- Commencing Stage 3 of the last participants in July 2007
- Commencing final ramp down at the end of November 2007
- The remainder of program services and final program report will be conducted in December 2007

Task 15 – Shut Down the Program

As outlined in Task 14, the program will be designed for completion in December 2007, with delivery of program services designed to achieve this goal. After December 2007, EnVINTA will maintain phone based support to resolve any outstanding customer issues and queries for an additional 4 months or another performance period as agreed with SCE.

Task 16 – Respond to Miscellaneous Utility/CPUC Data Requests

With EnVINTA's web-based program tracking system, as outlined in Task 3, EnVINTA will be able to rapidly respond to data requests from SCE and CPUC. They will download either CSV files or Excel (XLS) files as required by SCE. A web based application and database will enable transparency of data and ease of auditing. All data requests will be resolved by EnVINTA's program manager.

Task 17 – Follow Up with Remaining and New Customer Issues

After December 2007, EnVINTA will maintain phone based support to resolve any outstanding customer issues and queries for an additional 4 months, or another performance period, as agreed with SCE.

Note: EnVINTA's proposal does not involve direct payment or hardware installations.

Task 18 – Submit Final Program Report

On completion of the project and prior to December 31, 2007, EnVINTA will prepare a final written report on the program outcomes. The report will include:

- Program achievements including customer details, numbers of participants in each step, quantitative energy consumption and savings details
- Customer feedback will be collated in both quantitative and qualitative formats
- Typical barriers identified to implementation and how these barriers were overcome
- Benchmarking of customer energy management practices, strengths and weaknesses of businesses and strategies for overcoming weaknesses
- The final program report will also include:
 - o Program Challenges
 - o Goal Attainment
 - o Lessons Learned
 - o Program Improvement Recommendations
 - o Program Next Step Proposed
 - o Mainstream
 - o Continue Development
 - o End Program Concept

11. Customer Description

EnVINTA's Sustainable Energy Efficiency Development (SEED) Program targets industrial customers in the food processing industry (SIC 20). Senior managers of food processing firms and facility site personnel will be involved in the program.

As company size is positively correlated with receptivity to principles and practices of management standards, the Sustainable Energy Efficiency Development (SEED) program targets large food processors. Large customers are defined as greater than 500 kW of electric demand. In addition to their potential energy savings being difficult to achieve through traditional energy management programs, the food processing industry is geographically disparate and qualifies as a non-residential hard-to-reach market segment as defined by CPUC Decision 03-08-067.

12. Customer Interface: All SCE customers in SIC 20 with electric demand of greater than 500kW are eligible to participate in the Program. To enroll in the program, eligible participants will sign a written commitment that they will make both senior management and site personnel available to attend the diagnostic and review process and to participate in developing the initial action plan.

13. Energy Measures and Program Activities

13.1. Measures Information: Non-Resource

13.2. Energy Savings and Demand Reduction Level Data: Non-Resource

13.3. Non-Energy Activities (Audits, Trainings, etc.):

- Market and engage businesses in the program gaining an initial commitment to management availability for a 2 hour energy management diagnostic to develop an energy management strategy and benchmark the business against industry best practice.
- Work with Management on a management diagnostic session and a facilitate a high level technical walkthrough audit to highlight specific technical solutions with corresponding management practice solutions. This will also aid in the “sale” of the businesses ongoing participation in the program.
- Provide implementation support that is tailored for the individual business. Support is also provided to link businesses to other relevant SCE support programs.
- Review, with the management team present, the business’ progress and generate an updated business energy management action plan. Facilitates a process of continuous improvement.

13.4. Subcontractor Activities

EnVINTA will utilize in-house experts, with strong experience in the food processing sector, supplemented by CA consultants including Nexant.

- Bob Hinkle and Mark Stetz (Nexant) – Both will support program implementation activities.

13.5. Quality Assurance and Evaluation Activities: Please see Task 8, 9 and 10 (Above).

13.6. Marketing Activities: Please see Task 5 and 6 (Above)