

Huy Fong Foods: Giving Back By Saving Energy

When David Tran, owner of Huy Fong Foods, Inc. – manufacturer of hot sauces, including the highly popular Sriracha Hot Chili Sauce – needed more space to accommodate increased product demand, he found an ideal real estate parcel in Irwindale, Calif. Continuing years of dedication to his business, he worked tirelessly in designing a state-of-the-art 650,000-square-foot production and distribution facility, featuring extensive automated machinery.

In doing so, he found a supportive partner in SCE's team, which connected Tran with energy efficiency (EE) and demand response (DR) programs – a “win-win” for his company. Our programs help Huy Fong Foods significantly lower costs by maximizing efficiency and cutting energy use during peak-demand periods, which also assists in relieving stress on the electricity grid for his community.

The Dream Begins: A New Opportunity

Tran's commitment to reducing energy use stems from more than just a desire to save money. Born in Vietnam, where he began producing hot sauce bottle by bottle in 1975, Tran made the decision in 1979 to leave the, by-then, communist country on a freighter.

When no nation other than the United States accepted Tran, he settled in Southern California and began a hot sauce-making business in a 5,000-square-foot building near Chinatown in downtown Los Angeles. So began his American dream.

“My motivation for reducing energy use furthers my staff's and my own commitment to sustainability, environmental protection, and our community, and provides a thank you to the United States for allowing me to immigrate here,” Tran said.

Energy Efficiency Savings: 1.4 Million kWh Yearly

As a first major step in collaborating with us on mutually beneficial EE programs, Tran submitted his new facility's design vision to Savings By Design (SBD). This statewide program (administered by California's investor-owned utilities) provides incentives and other resources to encourage high-performance, nonresidential building design and construction.

To be eligible for SBD incentives, facilities must exceed the requirements of Title 24, California's energy efficiency standards for residential and nonresidential buildings, by at least 10%. Huy Fong Foods installed just over 600 energy-efficient fixtures – including T5 HOs, compact fluorescents (CFLs), T8s, and more – exceeding the Title 24 code by an astounding 74.2%. The project received \$41,400 in incentives, with an annual savings of more than 1.4 million kilowatt-hours.

Tran, though, wanted to take it even further. Title 24 required a minimum 2% skylight-to-roof ratio for the new plant building, but Tran's records show he upped that to 7%, using vented model skylights. The large number of skylights provides more day lighting and dramatically reduces lighting reliance. And the venting feature enables the company to operate without virtually ever needing to turn on its warehouse air conditioner, further saving energy, money, and the environment.



Huy Fong Foods, Inc., a popular hot sauce manufacturer owned by David Tran (shown), works with SCE on energy efficiency and demand response programs that annually save the company more than 1.4 million kilowatt-hours and provide \$109,000 in bill credits

Demand Response Bill Credits: \$109,000 Annually

Once the new facility was up and running, our Account Manager worked with the company to demonstrate the financial and social benefits of DR. As a result, in 2014, Huy Fong Foods joined the Time-of-Use Base Interruptible Program (TOU-BIP).

TOU-BIP provides monthly bill credits for reducing energy demand to a pre-determined level when a program event is called. This load reduction supports electric grid stability and reliability, helps reduce the possibility of power outages, and lessens the company's carbon footprint. During a TOU-BIP event, Huy Fong Foods lowers its energy demand to just 200 kilowatts by shutting down its production line and moving necessary work to off-peak hours. In return, the company now receives \$109,000 annually in bill credits.

The Dream Continues: The Reality of Success

None of this would have been possible without our Economic Development Services (EDS), which provide multiple no-cost resources to help businesses reduce operating costs, become more competitive, and remain in California.

In Huy Fong Foods' case, the company faced challenges with local permitting issues. EDS developed a targeted Economic Impact Analysis with the company's forecasted impact on job growth, tax revenue, and economic output potential. Along with other partners, EDS' work allowed Huy Fong Foods to resolve the permitting issues and stay in Southern California, keeping more than 150 jobs in the area.

David Tran remains grateful. His California dream – and successful reality – live on.

To learn more about SCE energy management solutions, ways to reduce your energy usage, and manage your energy costs, visit sce.com/business or call your SCE Account Manager.

This case study is provided for your general information and is not intended to be a recommendation or endorsement of any particular product or company, or a representation of any actual or potential future energy or monetary savings for other customers.

These programs are funded by California Utility ratepayers and administered by SCE under the auspices of the California Public Utilities Commission (CPUC). Programs are offered on a first-come, first-served basis and are effective until funding is expended or the program is discontinued. Programs may be modified or terminated without prior notice.

The information contained herein does not replace pricing information contained in any CPUC-approved tariff. Please refer to the tariffs for the programs described for a complete listing of terms and conditions of service, which can be viewed online at sce.com/regulatory.

Start Your Energy-Efficient Engines: Motors and Compressors

Manufacturing is an integral part of California's economy and consumes a large part of the state's total annual electricity demand. For small- to medium-size manufacturers, untamed utility costs can reduce profits, erode capital and maintenance budgets, increase product costs, and reduce competitiveness. Fortunately, improving the efficiency of motors and compressors can have a significant positive impact on controlling these expenditures.

Part of our Energy Conservation Series, **Start Your Energy-Efficient Engines**, will help California manufacturers understand the benefits of energy-efficient motors and compressors.

First, readers will learn what defines an energy-efficient motor and why you can produce a favorable return on investment, despite their higher price. You will discover specific ways to assess the efficiency of your current operation, plus solid tips for improving motor and A/C compressor energy efficiency. In addition, variable-speed AC drives are covered – a way to manage energy usage that can save businesses 30% or more of the energy in many centrifugal compressor applications.¹

Start Your Energy-Efficient Engines also calls attention to our Energy Management Solutions program, which offers many incentives for replacing old equipment or upgrading to new, high-efficiency equipment.

These measures not only improve the energy efficiency of any manufacturing business, they also reduce strain on the electrical grid, which benefits the entire community. Read the [full article](#).

1. Atlas-Copco

Businesses/Scholars Honored at SCE Hispanic Heritage Month Celebration

“This celebration recognizes the importance of Hispanic contributions to our communities, our state, and our nation. Diversity is one of the core values for the company. It is central to how we work with customers, vendors, and employees.”

– Southern California Edison President Pedro Pizarro

SCE recently held our 5th Annual Hispanic Heritage Month events at our Energy Education Centers in Irwindale and Tulare. The celebrations honored customer and partner champions in energy efficiency and supplier diversity, plus recognized partnerships with community-based organizations that allow us to give back to the communities we serve.

The following **2015 Energy Efficiency Participation Award recipients** show how utilizing SCE’s energy efficiency and demand response programs can significantly lower electricity usage and costs. This, in turn, can relieve stress on the electric grid during times of peak demand.

- **Corona Millworks:** The company recently completed two lighting upgrades and installed a variable frequency drive on a dust collection system, providing savings of 212,368 kilowatt-hours for \$35,000 annually.
- **OREMOR Automotive Group:** Since 2012, Southern California dealerships in SCE’s territory have saved 996,135 kilowatt-hours, for \$147,298 annually, using our Energy Efficiency Customized Solutions incentive program.
- **City of Visalia, Water Treatment Plant:** The facility is eligible for up to \$500,000 in incentives by implementing energy efficiency recommendations in its construction.

Community Partnership Awards:

- **Hispanas Organized for Political Equity (HOPE):** Works to ensure political and economic parity for Latinas through leadership, advocacy, and education.
- **Porterville Area Coordinating Council:** Provides support services such as electric bill assistance, gas vouchers for doctor visits, and water distribution.

Diverse Business Enterprise Awards:

- **Perera Construction and Design, Inc.:** Specializes in challenging projects in the healthcare, institutional, higher education, and telecom/energy sectors. (Built the Smart Energy Home in SCE’s Energy Education Center in Irwindale.)
- **Tulare Kings Hispanic Chamber of Commerce:** Makes businesses stronger through advocacy, access to contracting opportunities and capital, and other support services.

The Hispanic Heritage Month events also highlighted the 2015 Edison Scholars Program recipients. Fourteen of this year’s 30 awardees – students from low-income families who want to pursue studies in the critical STEM (science, technology, engineering, and mathematics) fields – are Hispanic.

If you are interested in future customer signature events – such as Black History Month in February and Asian American Pacific Islander Heritage Month in May – including potential opportunities for recognition, contact your SCE Account Manager for details.

Also follow us on Twitter [@SCE_Business](#) and [@SCE_Communities](#) to learn more about our key business issues and community initiatives.

Hispanic Heritage Month Events 2015 SCE Energy Efficiency Participation Awardees



City of Visalia, Water Treatment Plant

Left to right: SCE President Pedro Pizarro; SCE Region Manager for Local Public Affairs Brian Thoburn; City of Visalia Councilmember Bob Link; and SCE Vice President, Business Customer Division and Customer Service Safety Lisa Cagnolatti.

Corona Millworks

Left to right: SCE Vice President, Business Customer Division and Customer Service Safety Lisa Cagnolatti; Corona Millworks President Jose Corona; Corona Millworks Plant Manager Mitch Brown; and Martin Gaitan, formerly an Account Manager at SCE.



OREMOR Automotive Group

Left to right: SCE Account Manager Dana Robertson; Vice President, Business Customer Division and Customer Service Safety Lisa Cagnolatti; OREMOR Marketing Coordinator Jillian Romero Chaves; OREMOR CEO R.J. Romero; and SCE President Pedro Pizarro.

Edison Scholars Program

One of this year's 30 **Edison Scholars Program recipients**, Aylin Arreola (center), who is studying chemical engineering at the University of California, Santa Barbara, at the event with (left to right) Javier Palomarez, president and CEO of the United States Hispanic Chamber of Commerce; Janet Clayton, SCE senior vice president of Corporate Communications; SCE President Pedro Pizarro; and Dr. David C. Lizárraga, founder and chairman of the TELACU Education Foundation.

