

# COMMERCIAL CUSTOMER News

issue 6 • volume 1 • April 2013

FROM CHUGACH ELECTRIC

## Energy efficiency issue

This issue is intended to give Chugach commercial members resources to help save money and energy.

Did you know that there is a new State fund that helps commercial building owners reduce energy costs? Or that there is an upcoming State program that will help businesses pay for energy audits? Can you believe that some businesses have cut their energy use by almost 40% by undergoing energy efficiency improvements? And finally, did you know that Chugach can assist you in hosting an energy challenge for your employees? Find out more in this issue of the Commercial Customer News!

## New fund helps Commercial Building Owners reduce energy costs

Submitted by the Division of Economic Development

(Juneau, AK) – The Department of Commerce, Community, and Economic Development, Division of Economic Development is accepting applications for the Alternative Energy Conservation Revolving Loan Fund.

“This fund offers building owners the opportunity to realize long-term energy costs savings through building improvements and alternative energy systems,” says Commissioner Susan Bell. “The new

fund complements other energy saving programs for homeowners and communities that are also offered by the state.”

Examples of alternative energy systems include equipment that uses solar energy for electricity, heating, or cooling; wind turbines of not more than 100 kilowatts; or a high efficiency pellet or grain stove. Examples of conservation improvements include structural insulation; thermal windows and

doors; or converting boilers or furnaces to use high-efficiency burners.

The maximum loan amount is \$50,000. Loan requests over \$30,000 require a letter of denial from a private financial institution. The maximum loan term is 20 years with a five percent interest rate. Applicants must be a resident for the 12 months preceding the application, and the loan must result in alternative energy production

or energy conservation. Loans may not be made to pay costs that were incurred more than six months prior to making the loan application.

More information about the Alternative Energy Conservation Revolving Loan Fund is available by calling toll free at 1-800-478-LOAN, or emailing [financing@alaska.gov](mailto:financing@alaska.gov). Applications are available on the division’s website at: [www.commerce.alaska.gov/ded/fin](http://www.commerce.alaska.gov/ded/fin).

## Chugach to offer energy efficiency pilot program

This spring Chugach will launch an innovative energy efficiency pilot program designed to inform residential members about their energy use and assist them in taking steps toward reducing their energy consumption. The pilot

program is funded by the Alaska Energy Authority’s “Biggest State to Biggest Saver” grant from the U.S. Department of Energy.

The program enables businesses to set up team challenges for their employees using a Social Energy

Application. Challenges can either be based on total kWh reduced or average kWh reduced. Not only does the application organize and track challenge participants but it also allows businesses to link to their organization’s Facebook page, home

page and blog (if applicable).

If you’re ready to engage your employees in energy efficiency, this program is for you. To get started, contact Kate McKeown at [kate\\_mckeown@chugachelectric.com](mailto:kate_mckeown@chugachelectric.com).

## Update on the Commercial Building Energy Audit (CBEA) program

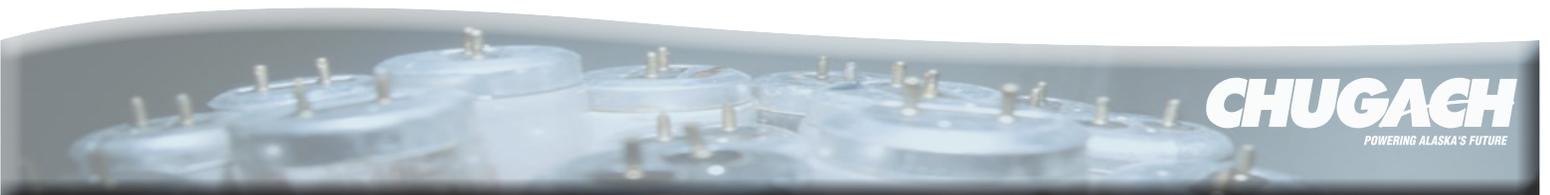
Submitted by Alaska Energy Authority

The Alaska Energy Authority (AEA) heard public comment in March on regulations for a Commercial Building Energy Audit (CBEA) program. The program regulations and comments received will be presented at the next AEA/Alaska

Industrial Development and Export Authority (AIDEA) board meeting. The purpose of the proposed program is to grant up to 100% of the cost of an energy audit of privately owned non-residential buildings. AEA’s Energy Efficiency

and Conservation program staff hope to begin soliciting CBEA applicants by late April 2013. Commercial energy audits performed in Alaska show average potential savings of around one third of a building’s total energy

bill. Simple payback on efficiency measures range from less than one year to more than a decade with an average of just over 6 years if implementing all recommended efficiency measures listed in a typical audit.



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POWERING ALASKA'S FUTURE



# Do the math - a story of success in energy efficiency

Submitted by Kim Koval, Executive Director of Green Star<sup>1</sup>

In the late 1990's, Eric McCallum, owner of Arctic Wire Rope and Supply, read "The Ecology of Commerce" by Paul Hawken which essentially asked the question: Can the business community do right by the environment and still do right by the bottom line, or are they mutually exclusive? In 2006, McCallum decided to conduct an experiment to find the answer.

Arctic Wire Rope and Supply is a manufacturing company within the Chugach service area and is a Green Star member. The commercial building is 22,000 square-feet comprised of warehouse, offices and a sewing loft. At the time of the experiment commercial energy audits were not readily available; therefore McCallum conducted research of his own. His research was rooted in finding the greatest return on investment (ROI). He asked himself: would investing in the best technology for the building bring a greater return than investing in the stock market? To answer this, he had to do the math. The answer was surprising – the best ROI was lighting. With light bulbs, McCallum could figure out exactly what he was spending and where he was spending it. In addition, lighting was

low hanging fruit; he could compare various technologies and chose the best fit for his building.

In July 2007, Arctic Wire Rope and Supply spent \$15,000 replacing all of the light bulbs and fixtures with more energy-efficient ones. In the warehouse, 26 - 400 watt high intensity discharge lamps (HID) and 26 metal halide fixtures (480 watts each) were swapped out and replaced with 22 - 4 Lamp T5 HO fixtures (225 watts each) and four 6 Lamp T5 HO fixtures (330 watts each). In the office and sewing loft, 250 - T12 bulbs (40 watts each) were swapped out and replaced with 130 - T8 bulbs (34 watts each). The total electricity usage went from 23,000 kWh to 9,600 kWh with increased lighting quality. The newer technology had better controllability; the lights no longer had to warm up for 5 minutes and the new motion detectors kept lights on only when they were needed. Money could be saved just by turning on and off the lights quickly and strategically. The approximate payback was 3.5 years or 22% ROI (1 year with 2% productivity increase).

McCallum didn't stop there. In October 2007, he installed a new air curtain. In September 2009,

he sealed a leaky, unused sliding glass door with insulation. The next month, he replaced his old inefficient gas heaters with energy-efficient ones. After each improvement McCallum noticed a reduction in energy use.

The moral of the story is that due to energy efficiency upgrades and simple mathematics, Arctic Wire Rope and Supply reduced kWh usage by 39%.

Eric commented, "This wasn't about hugging the trees. This was about making a good investment. I asked myself, is this a good use of my capital?" Of course, his short answer was yes. Do the math.

<sup>1</sup> Chugach Electric is a Green Star® member. Green Star® is a non-profit organization, based in Anchorage, Alaska, that encourages businesses to practice waste reduction, energy conservation and pollution prevention through



Top: Before Bottom: After

education, technical assistance, and an award-winning voluntary "green business" certification program. To find out more about Green Star visit <http://www.greenstarinc.org/>.

Date	kWh	Total Reduction
Oct 06 – Sept 07	84,667	--
Oct 07 – Sept 08	60,419	29%
Oct 08 – Sept 09	57,875	32%
Oct 09 – Sept 10	55,317	35%
Oct 10 – Sept 11	52,255	38%
Oct 11 – Sept 12	51,737	39%

We'd like to highlight successful energy conservation and efficiency efforts by businesses in upcoming issues of the Commercial Customer News. If you have a story to share, please contact Kate McKeown at [kate\\_mckeown@chugachelectric.com](mailto:kate_mckeown@chugachelectric.com) or at 762-4323.



## 2013 Business of Clean Energy in Alaska conference

MAY 2-3 | DENA'INA CONVENTION CENTER | ANCHORAGE, ALASKA

Submitted by Renewable Energy Alaska Project (REAP)

Alaska is home to vast supplies of energy, yet Alaskans pay some of the highest energy prices in the country. The 2013 Business of Clean Energy in Alaska Conference is about identifying economic opportunities and finding clean energy solutions to create a more independent and resilient future for our state. This 5th annual event brings together business, civic, labor and government leaders from across Alaska, along with the nation's top

industry experts to offer attendees an unmatched opportunity for learning and networking. Hear from keynote speakers like Jennifer Granholm, former two-term Governor of Michigan, and Richard Heinberg, Senior Fellow-In-Residence at the Post Carbon Institute.

Featured discussion topics will include:

- Energy Efficiency
- Emerging Energy Technologies

- Clean Power Markets & Investments
- Regulatory Issues
- Renewable Energy Policy

Online registration ends Friday, April 26th. For more information go to [www.BCEAconference.com](http://www.BCEAconference.com) or call (907) 929-7770.