

ENERGY EFFICIENT RETROFITS: FREE IS GOOD

By Rick Phelps

Over the next few weeks, Southern California Edison (SCE) will be visiting with small businesses in Bishop, Mammoth Lakes, and Inyo and Mono Counties, offering free energy efficiency retrofits through the “Non Residential Direct Install” program, which is a fancy way of saying small businesses. Assisting Edison in outreach will be the High Sierra Energy Foundation, a local nonprofit and the implementer of the Eastern Sierra Energy Initiative, Edison’s Local Government Partnership.

Not surprisingly, when most small businesses hear about this program, the immediate response is: “C’mon, it’s not really free. We’ll have to pay up sometime.”

But it is really free ... and pays an ongoing dividend. The best evidence supporting this is the 2011 Direct Install experience. Southern California Edison retrofitted 404 small businesses in Inyo and Mono Counties at a total cost of just over \$600,000. Estimated savings from these retrofits is roughly 1.5 million kilowatt hours annually, which, at 15¢ per kilowatt-hour, represents annual small business savings approaching \$225,000. And, as small businesses have zero investment, this is an “infinite” return.

Why would Southern California Edison do this? Not only are they selling fewer kilowatt-hours, but they are also giving away the equipment and the installation. Are they crazy, or did they maybe fail basic accounting? What’s happening?

Direct Install is offered statewide by all investor-owned utilities, following the regulatory leadership of the California Public Utilities Commission. Following this example, the Los Angeles Department of Water and Power sometimes offers a similar program to their Inyo County small business customers.

There are several reasons why Direct Install is a good deal for businesses, utilities and California, including:

Small businesses are hesitant to invest in energy retrofits and generally prefer to invest in growing or improving their core business. For example, would a sporting goods retailer rather invest in new, more efficient lighting, or a new branded clothing line that might increase sales 20 percent?

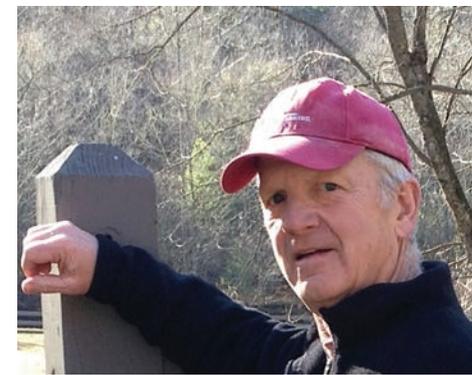
In total, small business use a significant portion of the state’s electric energy, and the aggregate savings in kilowatt hours, attributed to more efficient equipment in small businesses, reduces the need for generation,

renewable or otherwise, as well as high tension and local distribution wires.

We, as SCE customers, pay for energy efficiency programs, like Direct Install, through our monthly bills in a practice initiated many years ago by the California Public Utilities Commission. However, the efficiency programs must have a positive cost/benefit ratio. In other words, the cost to “save” each kilowatt-hour must be equal or less than comparable generation costs.

Investor-owned utilities, like SCE, don’t make their money from the traditional accounting model of sales less cost. Instead, their profit comes from a regulated return on the assets of the business, or invested capital. And, through a truly arcane process, financial adjustments balance any loss in total sales due to efficiency. Or, more simply put, there’s no reason for SCE not to have very energy efficient customers.

Participating in Direct Install is straightforward. First, SCE, or their representative, will visit your business and evaluate your potential for savings. Second, SCE will verify you are a small business account and not a branch of a larger business or chain. For example, a local service station with a national brand, but owned lo-



HSEF Executive Director, Rick Phelps

cally, would qualify, while a company-owned station would not. Businesses would then execute a basic agreement.

The final step is installation, which would be scheduled within a few weeks ... and everything is warranted for a year.

Working through the Eastern Sierra Energy Initiative, the High Sierra Energy Foundation will help ensure you are on the list of potential Direct Install customers. Please contact me for more information at phelps@hihgsierranergy.org, or (760) 934-4650.

Rick Phelps is Executive Director of the High Sierra Energy Foundation. The views expressed in this column are those of the author and not necessarily those of his employer.

We Choose to Recycle. Do you?

At Mammoth Disposal we look for ways to recycle and want to be a resource for the community. Our Transfer Station and Buyback Center is here for you, but we need your help to keep Mammoth Lakes the beautiful place it is.

Transfer Station is Open 7 days/week from 6:30am-9pm

There are convenient containers for you to place your sorted materials. We suggest you arrive with your recyclables sorted so it is a quick and easy process for you. Look at all the materials you can recycle.

- Cardboard, paper, magazines, cereal boxes and junk mail
- Tin and aluminum cans
- Glass bottles, jars plastic bottles and jugs

Buyback Center is Open 7 days/week from 8-12pm & 1-3pm

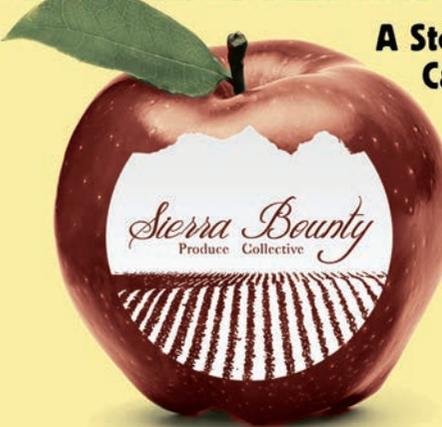
Aluminum cans and most of the plastic or glass bottles have a California Redemption Value. The container is marked with a stamp that reads “CA CRV”. The sorted material will be weighed and the rebate value will be paid to you. The State of California sets the reimbursement rates and rules for the program that are subject to change.

You can join us in lowering your waste and protecting the environment. Join our neighbors and local businesses by signing up for service. Call Mammoth Disposal will all your recycling and trash questions. Thank you for pitching in!

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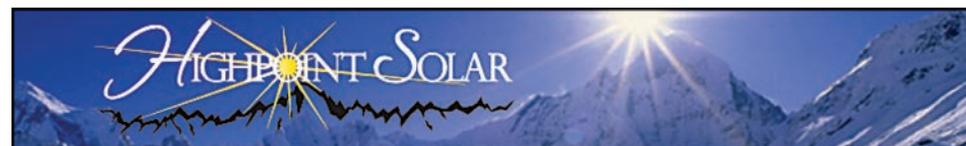
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