

The Dayton Initiative: Energy Conservation in Capacity Constrained Regions of Northern Nevada

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Executive Summary

In the area of Northern Nevada between the Ft. Churchill Power Plant and South Lake Tahoe, representatives of NV Energy's conservation programs designed a strategy to bring energy savings to this rural region of the state through a project known as the **Dayton Initiative**. The project faced a unique challenge due to energy capacity constraints, the remote nature of the region, and the moderate income of many local residents. Traditional program channels, such as retail and community education, yield moderate results in these rural areas, but have not had the same impact as in larger metropolitan areas where information can be more easily and widely disseminated. Access to large retail channels is limited, purchasing power less, and overall awareness of existing energy efficiency technologies lower. Despite these challenges, the Dayton Initiative intended to change the way utilities approach such rural markets.

The Dayton Initiative is an example of leveraging cross-program collaboration, social marketing and traditional program channels to bring energy savings to hard-to-reach rural markets. The strategy is to utilize all available means to ensure that the program reaches the maximum number of local residents. Retail partners in this region include a combination of big-box channels such as Lowe's, Walmart, The Home Depot and Costco, as well as regional grocers such as Raley's and Scolari's. Local retailers are an essential part of the program's effort to reach more rural residents who frequent local stores instead of major, national chains.

With regard to direct distribution projects, the residential lighting program focused on bringing energy savings directly to employees of the school district and other industries in this region. In May, the residential lighting and Sure Bet schools programs shipped more than 11,000 compact fluorescent light bulbs (CFLs) to the Carson City school district to be distributed to employees in the various schools. Each of the more than 900 employees received a 12-pack of CFLs in addition to valuable information on other energy efficiency programs. In June, the program launched a similar project with the Douglas County School district, providing more than 12,000 CFLs to more than 1,000 county school employees. This component of the Dayton initiative alone will achieve more than 1.1 million kWh savings in the first year alone for the employees of these two districts.

The residential lighting program is also working with two local nonprofit organizations, Friends of the National Multiple Sclerosis Society and United Blood Services, to provide them with CFLs to distribute to donors as an incentive to contribute during difficult economic times. Through local delivery routes, mobile outreach units and fixed sites, both organizations will ultimately deliver many thousands of CFLs to NV Energy customers in this region of Nevada. Future projects will include the

addition of more local retail partners, such as Ace Hardware as well as expanded CFL recycling locations and a continued focus on reaching local employees through the chamber of commerce and various local festivals and events. By the end of 2009, the program will deliver an estimated 50,000 CFLs through multiple distribution channels, achieving first-year annual savings in excess of 2.9 million kWh.

The Dayton Initiative and similar rural outreach projects are examples of the multi-pronged, creative and expansive approach required to effectively disseminate information on energy conservation to remote regions of the state. The social marketing component of working with local nonprofits and leveraging existing networks coupled with local retail channels is an excellent way to ensure that consumers AND local residents are targeted under a program aimed at bringing valuable savings to as many local residents as possible

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I. Introduction to the Dayton Initiative

“The parties agree that the concentration of DSM energy efficiency measures in Carson City, Dayton, Carson Valley, and South Tahoe has the potential to reduce the run time required for the Ft Churchill generation units. The increased marketing costs and increased incentives and subsequent reduction in program energy savings required to attain an increased penetration in the smaller market area are estimated to be more than offset by reduced fuel costs. Sierra Pacific, d.b.a NV Energy, will make a reasonable effort within the approved DSM budget and programs to concentrate DSM activities in this area by increasing marketing and incentive levels to customers and implementation contractors within this region.”¹

In 2009, NV Energy began to lay the groundwork for a series of coordinated demand-side management energy efficiency programs in the area between the Ft. Churchill Power Plant and South Lake Tahoe. These areas include Carson City, Dayton, Carson Valley and South Lake Tahoe and were to be part of an extensive campaign to bring energy and cost savings to residential and commercial customers. The following is a brief synopsis of these activities and corresponding kWh savings associated with the various projects. While many of the projects do not have a finite lifespan and are ongoing, the figures provided include a combination of year-to-date achievements and projections of total energy savings through December 31, 2009.

II. Residential Initiatives

NV Energy, through its contractors, Ecos and Jaco Environmental, was involved in the implementation of two major residential demand-side management programs; ENERGY STAR[®] Lighting and Refrigerator Recycling. The following is a description of the residential initiatives that comprised the Dayton Initiative:

Door Hangers

In an effort to bring energy savings to a segment of the population that may be difficult to reach through traditional channels, the utility’s energy conservation and efficiency department launched a rural outreach program designed to bring energy savings through the distribution of educational materials and compact fluorescent light bulbs packaged in a conservation kit.

These educational kits were distributed by Power Direct Marketing and contained information on ways to save energy through efficient lighting, refrigerator recycling and home weatherization, to name a few. Numerous field teams distributed utility labeled, bio-degradable bags to 16,200 households. Included in the bag was a six-pack of energy efficient CFLs, information on the lighting and refrigerator recycling programs and a variety of educational materials highlighting a number of residential efficiency programs sponsored by NV Energy.

¹ Public Utilities Commission of Nevada. Docket 08-08012, Stipulation pgs. 2-3. November 21, 2008

Through the distribution of 97,200 CFLs to the more than 16,000 homes in this region, local NV Energy ratepayers will receive a first year annual energy savings of nearly 5.7 million kWh. This equates to an annual cost savings of almost \$750,000.

- Timeframe: Completed in October 2009
- Utility Programs Highlighted: All residential programs with a focus on Refrigerator Recycling, ENERGY STAR lighting and home weatherization
- Location: Region between South Lake Tahoe and the Ft. Churchill Power Plant. Distribution of bulbs staged from local NV Energy office in Carson City
- Materials Distributed: One bio-degradable bag containing:
- Six energy efficient light bulbs (13 watt & 23 watt)
 - Brochure on ENERGY STAR lighting program
 - Brochure on Refrigerator Recycling program
 - Brochure on Home Weatherization program (Comfort Savings)
 - Brochures on other conservation and efficiency programs
 - NV Energy satisfaction survey card

Supporting Marketing Efforts:

- 1) Informed local NV Energy office in Carson about the Dayton Initiative program and logistical details of the project
- 2) Educated local offices about the purpose of the Dayton Initiative and the reason for targeting this specific region
- 3) Expanded messaging to entire company through corporate communications and internal marketing channels. Highlighted the Dayton Initiative in October issues of internal publication *Powerline*
- 4) Reached out to local media outlets in Carson City / Dayton area to help inform local population about the utility's outreach efforts in their region

School Programs

In May, prior to the end of the 2008-2009 school year, the ENERGY STAR Lighting Program focused on bringing energy savings directly to employees of the local school districts and other industries within this region. Under the direction of Major Account Accounts Manager Charlene Booth and the utility's Sure Bet for Schools Program Manager Andy Dumond, more than 11,000 CFLs were shipped to the Carson City school district to be distributed to school staff. Each of the more than 900 employees received a 12-pack of CFLs in addition to valuable information on other energy efficiency programs. In June, the Program launched a similar project with the Douglas County School district, providing more than 12,000 CFLs to more than 1,000 county school employees. This

component of the Dayton Initiative yielded more than 1.3 million first-year kWh savings for local residents and more than \$170,000 in reduced electricity costs for employees of the two school districts.

Nonprofit Partnerships

In the spring of 2009, NV Energy launched a social marketing campaign through its ENERGY STAR lighting program. The intention was to locate and identify nonprofits in the state of Nevada that could use energy conservation as an incentive, as well as a thank you, to encourage donations during difficult economic times. Organizations such as United Blood Services, Nevada Humane Society, the SPCA of Northern Nevada, The Pet Network and Friends of the National Multiple Sclerosis Society of Reno were targeted for their strong reputation and effective outreach networks.

Local residents who gave blood, donated to Friends of MS or adopted a pet from one of three animal shelters in the Reno-Sparks-Incline Village area were eligible to receive free, energy efficient CFLs from NV Energy.

“The purpose of the program is to thank local residents for supporting these nonprofit organizations during difficult economic times by providing cost and energy savings,” said John Hargrove, project manager for energy efficiency and conservation at NV Energy. “The agencies we’re partnering with all have active community outreach programs that will help us leverage our efforts.”

The program is continuing, and by year-end, the program forecasts that more than 250,000 CFLs will have been distributed to approximately 15,000 Nevada residents who contribute to these essential organizations. In the Dayton Corridor alone, an estimated 10,000 CFLs will be distributed accounting for roughly 580,000 annual kWh savings.

Direct Install Programs

In another project designed to secure energy savings, residential lighting program representatives worked with managers of apartment complexes and mobile home parks to install nearly 13,150 CFLs directly into the sockets of households in Carson City and Dayton. Lighting products have traditionally been supplied by management of multi-family housing. By providing owners and developers with CFLs in 60-, 75- and 100-watt equivalents, the Program was able to obtain enthusiastic “buy-in” from property managers. Installing CFLs enabled properties to attach a “green” and “earth conscious” concept to their brands, while also reducing long-range labor and maintenance costs associated with the long life of the energy saving bulbs.

In addition to the direct capture of kWh savings, this project facilitated market transformation by exposing low to moderate income Nevadans to the benefits, value and aesthetics of CFL technology. Total estimated annual kWh savings for this component of the Dayton Initiative is 836,416 kWh.

III. Commercial Initiatives

Commercial Incentive Program

NV Energy renegotiated the contract with the implementation contractor KEMA Energy Services, Inc. for delivery of the Sure Bet Commercial Incentive Program to the area served by the Fort Churchill Generating Station.

During the first quarter of 2009, the program developed a listing of commercial customers by zip code to identify those customers located in the target area. Commercial customers were targeted for specific marketing efforts based on a stratification of this customer list. NV Energy major account executives were advised which of their customers were on the list so they could begin working with those customers to identify energy efficiency opportunities.

A key component of the Commercial Retrofit Program was the contractor network promotion of the Program. KEMA sent out invitations to a contractors meeting held on March 18, 2009 in Carson City for both the retrofit and direct install components. The invitations are provided as an attachment (fig 6). The more than 60 contractors in attendance demonstrated significant interest and a positive reaction to the additional incentive that would be provided to customers in the targeted area. In addition, training was provided by the University of Nevada (UNR) on the proper disposal of hazardous waste and small business funding options for energy efficiency improvements.

Direct customer discussions about potential projects took place with representatives from Douglas County Facilities, State of Nevada Transportation, the Army National Guard facility, a major grocery store chain, a fast food chain, a warehouse facility manager considering a 500 HID change out project, a medical center, a charter aircraft service and four casino properties. Marketing efforts also included attendance at a local distributor lighting show and meeting with product vendors to explain the potential incentives available to them to market their technology. Additional outreach included meeting with the Carson City Chamber of Commerce and scheduling several joint UNR/NV Energy customer trainings through the UNR small business development center.

It was anticipated that it would take some time to gain traction with customer acceptance in this geographic area. The marketing plan efforts garnered relatively positive results with 22 customer projects completed and 26 other retrofit projects underway prior to the writing of this report. Additionally, the direct install portion of the Program reached its target for customers requesting services. During the first five months of 2009, the completed customer retrofit projects resulted in annual energy savings of more than 2.6 million kWh. The customer retrofit projects that are in process are estimated to provide 2.2 million kWh in annual energy savings. The direct install applications are estimated to result in approximately 1.5 million kWh in annual energy savings, totaling approximately 6.3 million annual kWh savings.

Hotel Motel Program

NV Energy renegotiated the contract with the implementation contractor, Franklin Energy Services, LLC, for delivery of the Hotel/Motel Program in the area served by the Fort Churchill Generating Station.

During the first quarter of 2009, Franklin developed a multi-tiered marketing plan. NV Energy developed a listing of commercial customers by zip code to identify those customers located in the target area. Qualifying Hotel/Motel customers on the resulting list were targeted for participation in this Program.

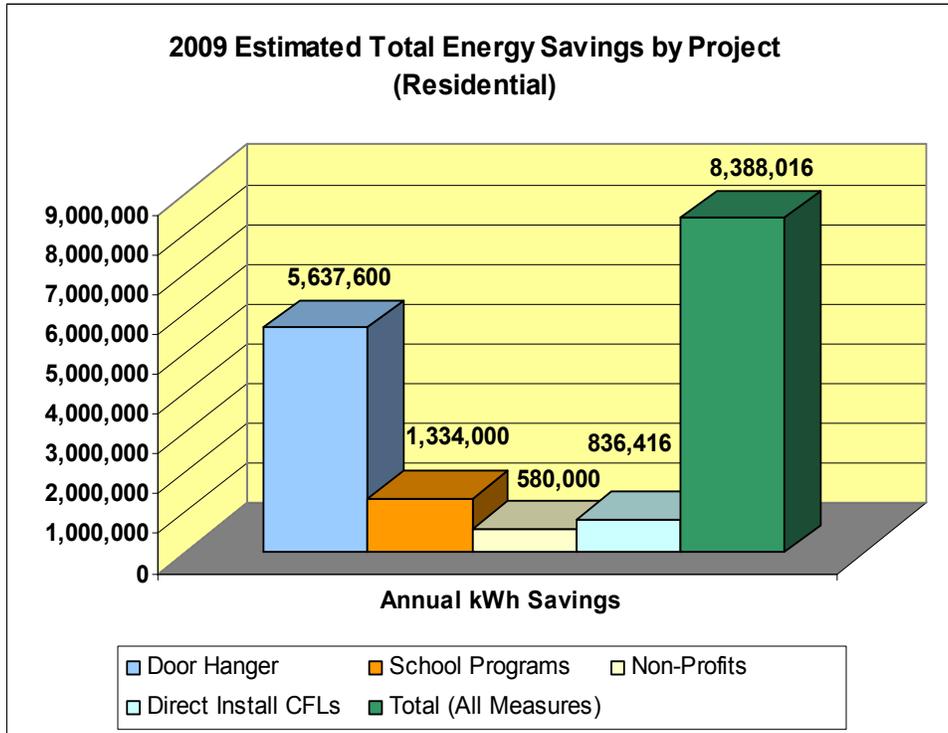
Franklin worked with the Douglas County and Lake Tahoe Chambers of Commerce to develop a presentation to attract its hotel/motel members. Franklin invited the targeted customers to a workshop in Carson City held on April 8, 2009, which was conducted at a facility that has previously participated in the Program. The presentation promoted the Program offerings, demonstrated the equipment, described the benefits of participation and cross marketed the incentives provided under the standard Sure Bet Program for those measures not covered through the Hotel/Motel Program. All other energy efficiency residential and commercial Programs offered in the target area were also described to ensure that all opportunities were fully understood by those in attendance.

It was anticipated that it would take some time to gain traction with customer acceptance in this geographic area. The marketing plan efforts have garnered relatively positive results with seven properties participating and two others expressing interest prior to the writing of this report. During the first five months of 2009, five properties have completed retrofits with annual savings of 725,867 kWh. Two additional properties are in the installation phase with additional annual estimated savings of 834,652 kWh. Two additional properties have completed the assessment phase and the customer proposals are under development.

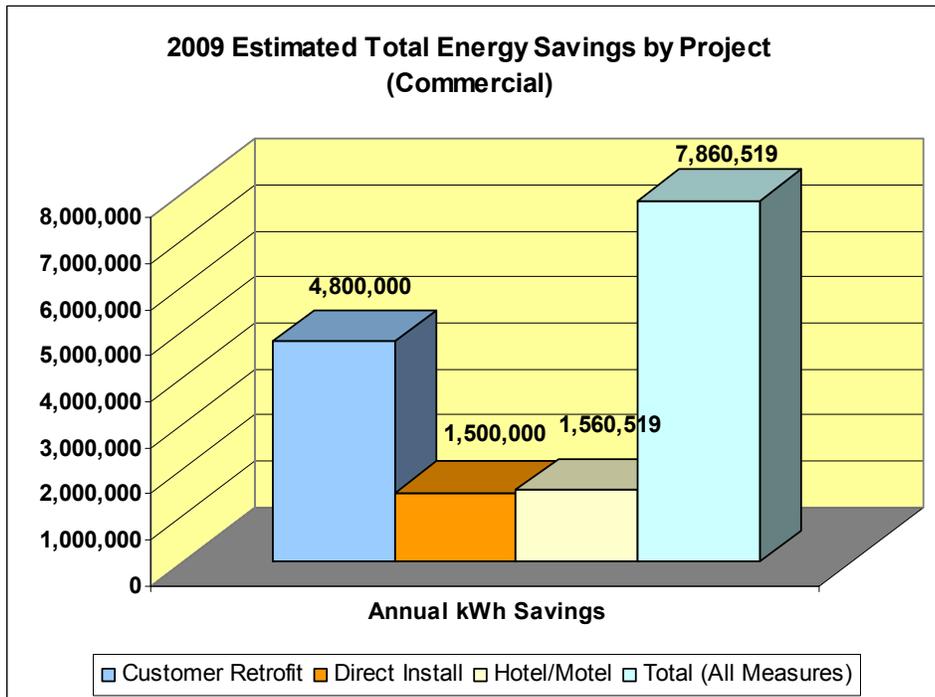
Commercial New Construction Program

Due to the downturn in economic conditions, commercial new construction has slowed over the past year. Based on limited new construction activity and the length of time from planning to completion of construction, the Public Utility Commission of Nevada (PUCN) Staff suggested that there would be minimal benefit from changing the target market for this Program. Therefore, at this time no additional incentive has been announced for customer participation in this geographic area. However, KEMA is actively monitoring activity; if it appears that additional incentives are required to motivate customers, and if the customer project would result in additional savings during the 2010 period, the program will review the incentive levels for any such projects. NV Energy will continue to monitor and report activity under the New Construction Program in this geographic area.

Energy Savings (Residential programs) – Ft. Churchill region



Energy Savings (Commercial Programs) - Ft. Churchill region



IV. Appendix / Attachments

Fig 1: Lighting Program Flyer

Change the World

with complimentary CFLs from NV Energy!

Compact Fluorescent Light Bulbs (CFLs):



- Save up to \$30 in energy costs
- Use up to 75% less energy
- Last up to 10 times longer

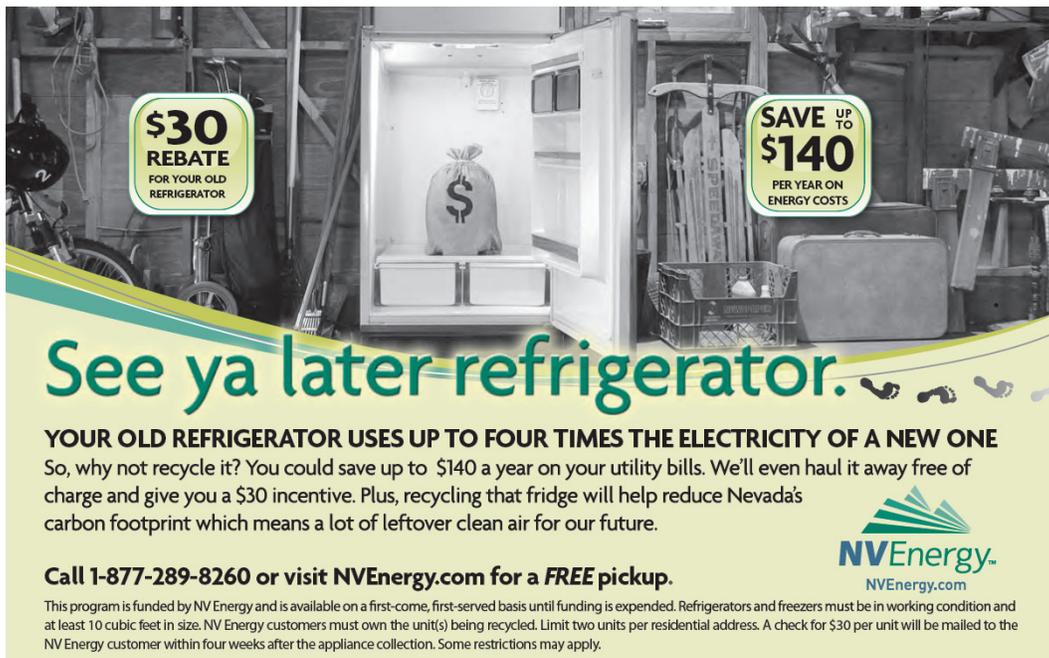
♻️ Don't forget to close the loop and recycle your used CFLs at any of The Home Depot stores located throughout Nevada.



For more information on utility-sponsored discounts on CFLs, and to find a participating retailer, visit NVEnergy.com/saveenergy.



Fig 2: Refrigerator Recycling Program flyer



\$30 REBATE FOR YOUR OLD REFRIGERATOR

SAVE UP TO \$140 PER YEAR ON ENERGY COSTS

See ya later refrigerator.

YOUR OLD REFRIGERATOR USES UP TO FOUR TIMES THE ELECTRICITY OF A NEW ONE

So, why not recycle it? You could save up to \$140 a year on your utility bills. We'll even haul it away free of charge and give you a \$30 incentive. Plus, recycling that fridge will help reduce Nevada's carbon footprint which means a lot of leftover clean air for our future.

Call 1-877-289-8260 or visit NVEnergy.com for a FREE pickup.



This program is funded by NV Energy and is available on a first-come, first-served basis until funding is expended. Refrigerators and freezers must be in working condition and at least 10 cubic feet in size. NV Energy customers must own the unit(s) being recycled. Limit two units per residential address. A check for \$30 per unit will be mailed to the NV Energy customer within four weeks after the appliance collection. Some restrictions may apply.

Fig 3: NV Energy survey card



Fig 4: Map of Fort Churchill Region (Dayton & Carson City area)

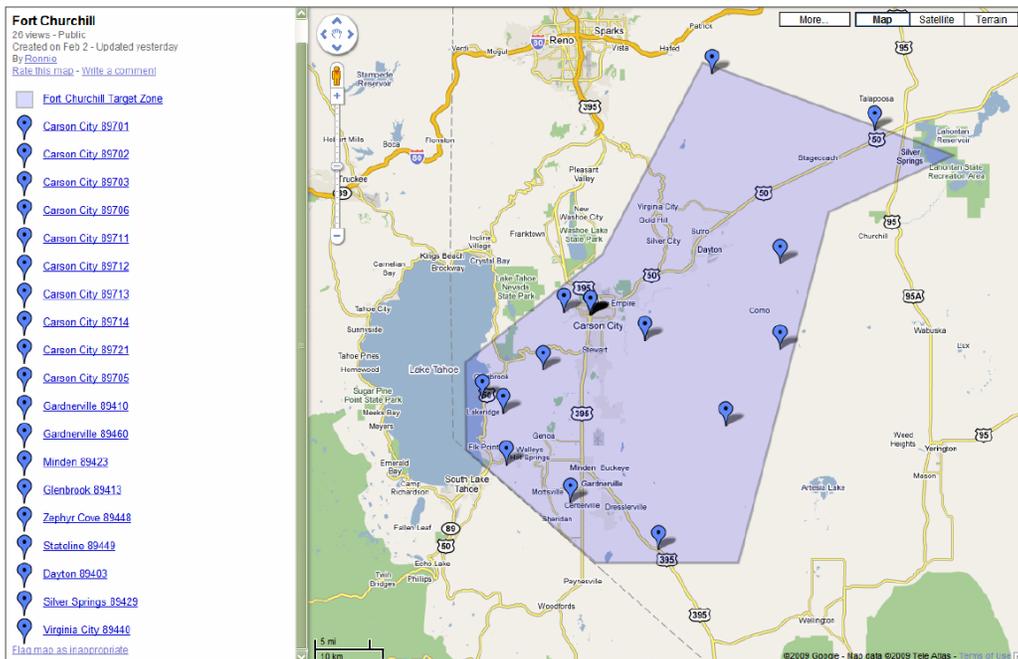


Fig 5: Comfort Savings Program Flyer



A FREE Service from NV Energy



Home Weatherization Program from NV Energy

As part of an effort to reduce energy consumption in the state of Nevada, NV Energy invites you to participate in the *NV Energy Comfort Savings Program*, a FREE program designed to reduce your monthly energy bills.

The program will install, at **NO COST TO YOU**, energy savings products and services designed to reduce your energy consumption. These products can include:

- Programmable Digital Thermostat - FREE
- Health and Safety Testing of Appliances - FREE
- Carbon Monoxide Detector - FREE
- Replacement of standard light bulbs with energy efficient Compact Fluorescent Lamps (CFL) – FREE
- Caulking and weather stripping of air leaks around windows and doors - FREE

Take advantage of this FREE program by calling Toll Free 1-866-920-7822. We will schedule and perform a FREE energy audit of your home and tell you which energy savings measures we can install courtesy of NV Energy.

The *NV Energy Comfort Savings Program* is available to select income-qualified NV Energy customers. In order to participate you must be a current NV Energy customer in good standing and fall within the following income guidelines.

The NV Energy Comfort Savings Program is available to any NV Energy household whose household income falls within the following minimum and maximum annual income levels. Guidelines are for Lyon County.

Size of Family	Monthly Income	Annual Income
1	\$2,979	\$35,750
2	\$3,404	\$40,850
3	\$3,829	\$45,950
4	\$4,254	\$51,050
5	\$4,596	\$55,150
6	\$4,933	\$59,200
7	\$5,275	\$63,300
8	\$5,617	\$67,400



For more information on this **FREE** home weatherization program or to check if you qualify for this program, call our customer service department

Toll Free 1-866-920-7822
 phone (702) 895-6220 fax (702) 895-6260
Se habla Español
 2925 East Patrick Lane #D, Las Vegas, NV 89120

*Not all services will be offered to all households. There may be limits on available funding and materials. Services offered on a first-come, first-served basis.
 + Available for homes with electric hot water heaters and in homes with gas water heaters if NV Energy is your gas utility.*

Fig 6: Sure Bet Seminar Invite

sure bet direct



We are pleased to announce the 2009 kickoff for Sure Bet Direct, an incentive program designed to promote energy efficiency upgrades in small businesses with electric usage less than 600,000 kWh/year.

KEMA Services, Inc. (NV Energy's program administrator) will hold a training seminar on Wednesday, March 18th from 1:00 PM - 2:30 PM at the Holiday Inn Express in Carson City.

Seminar agenda includes:

- Customer and Project Eligibility
- Technical Overview
- Program Process
- How to Become a Program-Approved Contractor

To RSVP, please contact me at 510-891-0446 or email at ronnie.aquino@us.kema.com.

Sincerely,

Ronnie Aquino
Sure Bet Direct Manager



SAVE THE DATE!

You are invited to the 2009 *Sure Bet* Kick Off Meeting for Contractors

WHEN: Wednesday, March 18th, 2009
Registration: 8:00 a.m. – 8:30 a.m.
Presentation: 8:30 a.m. – 11:00 a.m.

WHERE: Holiday Inn
4055 N. Carson Street
Carson City, NV 89701

SCHEDULED TOPICS:

- Application process
- Eligibility requirements
- Changes from last year's program
- Key technical program components
- Special Guest Speaker: Hazardous Waste - "How to Dispose of Fluorescent Lighting"

*** Space is limited so please RSVP by March 13th ***
- Sure Bet Hotline (800) 342-6335
- Sure Bet Email surebet@nvernergy.com

Complimentary continental breakfast will be provided

For additional information, please contact the Sure Bet team at (800) 342-6335