ENERGY STAR Commercial Food Service Webinar Series

ENERGY STAR Partner Spotlight: Boulder County’s Small Business Equity Program

Tuesday, January 12, 2021
Introduction to Monthly CFS Webinar Series

Webinars are an opportunity for Partners/Stakeholders:

• To hear news on the latest CFS events, activities, and initiatives at ENERGY STAR
• To learn about program engagement resources and tips
• To engage with ENERGY STAR and each other on industry topics and energy-savings
• To provide feedback on any information gaps and inform the development of new resources
Near-Term ENERGY STAR CFS Activities

• Winter newsletter – February 2021
• New Ask the Expert article – February 2021
• CFS equipment calculator updates – coming soon!
• CFS utility midstream program resources – coming soon!
• Active and completed specification revisions:
  • Commercial Dishwasher Final Specification v3.0
  • Commercial Refrigerators and Freezers Discussion Guide v5.0
  • Commercial Ovens Draft 1 Version v3.0
• Active scoping efforts:
  • Commercial electric cooktops and ventilation
• Webinar Series
  • Next webinar Tuesday, February 2 at 2 PM ET (tentative)
Stakeholder Breakdown

Registrations for today’s webinar include:

- 25 EEPS/Utility
- 22 Product Brand Owners
- 14 Program Implementers
- 5 Dealer/Distributors
- 3 Association
- 11 Other
Poll Question #1

• Does your organization currently offer equity-related program incentives, offerings, or resources?
  A. Yes (Please submit a short description of your program, offering, or resource)
  B. We are close to launching.
  C. We are in the beginning phases of identifying opportunities.
  D. Not at this time.
Poll Question #2

Do you currently have bilingual resources for program participants or customers?

A. Yes, we have bilingual staff member(s) and translate all our materials. Please include available languages and any other feedback below.

B. Yes, we have bilingual staff member(s). Please include available languages and any other feedback below.

C. Yes, we translate our materials and website. Please include available languages and any other feedback below.

D. Not at this time. However, it’s a near-term goal.

E. Not at this time.
What is PACE?

Expert advisors, rebates and incentives for:

- Energy Efficiency
- Waste Reduction
- Water Efficiency
- Transportation
SM ALL BUSINESS EQUITY PROGRAM

Program overview
Why focus on equity?
Lessons learned
Q&A
ENERGY STAR

- Savings, standards, and products
  - PACE requires ENERGY STAR certification for eligible equipment rebates
  - ENERGY STAR savings information
  - ENERGY STAR product finder

- Best practices sharing
  - ENERGY STAR day
  - ENERGY STAR webinar
Estimated savings of a new ENERGY STAR product compared to new conventional equipment

- Refrigeration/Freezers: 20%
- Dish Washers: 40%
- Ice Machines: 0%

https://www.energystar.gov/products/commercial_food_service_equipment
Program Goals

Better leverage our limited resources for the most benefit

1. Serve small businesses
2. Serve high energy burdened businesses
3. Design for businesses that we are not already reaching
4. Design for the hardest to reach businesses first
5. Target the oldest equipment
6. 2 year simple payback for participants

Co-benefit: help for a sector that was hit hard by COVID-19
Who has the Highest Energy Burden?

2012 CBECS kWh per square foot

Food & Beverage Sales and Service
Estimated savings of a new ENERGY STAR product compared to pre 2005 equipment

- Refrigeration/Freezers: 60%
- Dish Washers: 40%
- Ice Machines: 20%

PACE’s own estimates from Energy Policy Act of 2005 and ACEEE data
Typical Food Service Rebates

• Low incentive to cost ratio
• Based on the incremental cost of ENERGY STAR products versus new conventional products
• Doesn’t factor in the cost/benefit calculation replacing an old existing unit that works
• Based on DOE standards, we believe there are large savings to be had for retiring old equipment
Offering

• Up to 70% of project costs on
  • Select food service equipment older than 2005
    • Refrigerator units with doors
    • Freezer units with doors
    • Merchandisers
    • Dishwashers
    • Ice machines
  • Old T12 fluorescent lighting

• For
  • Small businesses with less than 2,000 sq. ft. (restaurants) or 5,000 sq. ft. (all others)
  • Locally owned and operated
  • BIPOC owned businesses highly encouraged to apply
Process

1. Outreach in English and Spanish
2. Business applies
3. PACE reviews eligibility and conducts site assessment
4. PACE and business discuss upgrade opportunity
5. PACE streamlines ENERGY STAR equipment options with ENERGY STAR partner Tundra FMP Restaurant Supply
6. Business pays 30% upfront
7. Third party warehouses, installs new equipment and recycles old equipment
8. PACE pays the remainder
WHY A SMALL BUSINESS EQUITY PROGRAM?
PACE’s Historic Program Model

• “Fair”
• Single, equal offering for all
• First come, first serve
• Designed and administered by:
Equal Opportunity ≠ Equitable Opportunity
Who are you Designing for?

- Innovators: Tuned in, little effort required
- Early Adopters: Interested, needs a nudge
- Early Majority: Curious, financial concerns, competing priorities
- Late Majority: Less interest, not a priority
- Laggards: More pressing concerns, financial hardship, awareness, language barriers

2.5% 13.5% 34% 34% 16%
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Percentages:
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2.5% Most Privilege and Access

13.5%                     34%                     34%                     16% Least Privilege and Access
A Cycle of Inequitable Access

Institutions create single programs designed for the most cost effective / easiest to reach / people like us

Our programs work well for that group and less well for everyone else

Benefits accrue to a single segment
Who are you Designing for?

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Curious, financial concerns, competing priorities

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Design for the hardest to reach and you’ll serve everyone

2.5% 13.5% 34% 34% 16%
Most Privilege and Access Least Privilege and Access
SO HOW DID WE DO?
### 2020 Program Results

#### Participation
- 84 applicants
- 28 completed projects
- 69 pieces of equipment
- $171,091 grant funding
- $63,522 businesses contributions

#### Estimated Savings and Payback
- 349,245 annual kWh savings (estimated)
- $31,432 annual cost savings (estimated)
- 2 yr. simple payback after incentives
- Not including maintenance savings
- Not including reliability and aesthetic benefits
Demographics

- 100% small businesses
Evaluation

Cost Effectiveness

- $0.49 One Time Cost per Annual kWh Saved

Did We Reach Our Target?

- Small businesses
- High energy burden
- Historically marginalized
- New to PACE
- 2 year payback
Some refrigerators from 1950s
Replaced 8 doors of refrigeration units
$39,857 total cost

Saving $9,000 per year
58% of their utility bill
LESSONS LEARNED
Few Examples to Draw From

• Lots of low income residential programs
• ACEEE study
  • Community serving institutions
  • Specific geographic areas
• Beyond bilingual materials, few examples of programs targeting
  • Highest energy burdens
  • Those that have a hard time accessing single, standard offerings
Designing for the Hardest to Reach is Takes More Work

• Creating these programs
  • Takes more time (2 years for us)
  • Takes more effort
  • Takes more listening
  • Takes more partners
  • Is worth it

• We can’t pretend that everyone is able to access a one-size fits all program

• Makes your program better for everyone else too
  • “Energy efficiency v. Save you money”
  • Finding lighting contractors who will take small jobs

Food Service Equipment Grant
The PACE Food Service Equipment Grant helps local and minority-owned food service businesses in Boulder County replace inefficient restaurant and grocery equipment with brand new energy efficient models — the grant will cover 70% of the costs upfront.

You only have to pay 30% of the cost for new equipment:

- Efficient Refrigeration
  - $2,000 (Regular Price)
  - $600 (New Price After Grant)
  - $776 (Annual Energy Savings)

- Efficient Kitchen Equipment
  - $2,250 (Regular Price)
  - $835 (New Price After Grant)
  - $1413 (Annual Energy & Water Savings)

We Help Pay for New Equipment to Save You Money on Energy Costs!
Be Flexible, Make it Simple

• You’ll lose participation with every friction or decision point
• Make it easy to participate, streamline the process
• Meet your customers where they are at
• Texting, WhatsApp, Facetime

“Many participants had a really hard time with filing out applications as they didn’t have a computer and were not tech savvy. So I got on Facetime with a few business owners or drove there in person to help them fill out the application through my laptop.”
Material Translation is not Enough

- Navigational support is needed throughout the process
- Partner with trusted cultural brokers
- Bilingual / bicultural staff are essential
- You likely don’t know what all the barriers are, don’t assume, ask
Providing support beyond simple rebates gets tricky quick!

Assumptions ≠ Reality

Sweat the details

Hand holding is needed

Start with a pilot program
Do you Have the Right Tool for the Job?

1. Investigate the unique barriers
2. Then select a tool
CLOSING

We need to listen to understand the unique barriers for different business segments before we start selecting our tools to solve them. If we’re not designing and using a suite of programs for different business needs, then we have to recognize that we are forever excluding certain segments of our communities from benefitting from our programs and continuing to benefit those with the most privilege and access already. Laggards are not would be participants who are simply unwilling, but businesses we have excluded by solely chasing cost effectiveness.
Afterward

• 2021 Changes
  • Additional streamlining
  • Additional business types will be eligible
    • Convenience stores
    • Nonprofits serving low income populations
  • More consultations with our hardest to reach businesses to design new offerings beyond commercial foodservice equipment

• Scaling the program
  • PACE is limited to Boulder County
  • Incentive programs often have a one-size-fits all blind spot
  • Happy to share what we’ve learned and talk in depth if you’d like to learn more
Save the Date for the Next Webinar!

- Food Lion’s Experience with two U.S. Environmental Protection Agency Programs: GreenChill and ENERGY STAR
  - Tuesday February 23, at 1 PM ET (time is tentative but will be confirmed soon through a mass mailer!)
- Topics that will be covered include:
  - Overview of EPA’s GreenChill program, including member requirements and benefits of joining
  - Hear from ENERGY STAR partner and GreenChill member Food Lion, and how each program supported some of their major energy savings and greenhouse gas reduction accomplishments

More information will be sent through a mass mailer! Email cfs@energystar.gov to confirm you are on the distribution list!