

Monthly Critical Update – April 2015

Welcome to the second Critical Update. This month will focus on Energy Programs. There are so many to choose from that it can be extremely overwhelming. So, to start we want to take a look at your bill from your energy provider to...

- Make sure you are paying what you should be.
- Determine the best program for you.

Note: The bill below is a United Illuminating sample, but the same information is provided on a bill from Eversource.

Demand Charges

What Your Bill Is Telling You (u)

New Charges & Credits			
POD 1250026112020		(CYCLE 05)	
Current Supplier: THE UNITED ILLUMINATING COMPANY			
Generation Services Charge	1920 kWh X \$0.106135	\$	203.78
Total Generation Services Charges			\$ 203.78
Transmission per kw	5.8 kW X \$2.020000	\$	11.72
Distribution Basic Service		\$	39.19
Distribution per kw	5.8 kW X \$6.120000	\$	35.50
Distribution per kWh	1920 kWh X \$0.019048	\$	36.57
Combined Public Benefits Charge	1920 kWh X \$0.007512	\$	14.42
Competitive Transition Assessment per kWh	1920 kWh X \$0.015222	\$	29.23
Non-Bypassable FMCC per kWh	1920 kWh X \$0.006641	\$	12.75
Decoupling Adjustment	1920 kWh X \$0.000291	\$	0.56
Pension Tracker and Earnings Sharing	1920 kWh X \$0.000689-	\$	1.32
Total Delivery Charges			\$ 178.62
CT Sales Tax on Electricity		\$	14.76
Total New Charges			\$ 397.16

Electricity Usage						
Meter	Service Period	Meter Reading	Multiplier		Kilowatt Hours	Demand kW
		Current Last				
000000000	30 days	04612 - 04606	X	80 =	480 kWh	5.1
Shoulder	30 days	02205 - 02199	X	80 =	480 kWh	5.1
Off Peak	30 days	03352 - 03340	X	80 =	960 kWh	5.8

1. The first thing you should be aware of is that as a manufacturer you should not be paying taxes on your energy bill. If you are, you are entitled to up to a 3 year refund.
2. This highlights the energy generation or how much energy you use – this is something to keep an eye on as far as rates.
3. This highlights the distribution costs or how fast you use the energy – this is an area that most programs focus on reducing.

4. Finally, the Combined Public Benefits Charge is the fee you pay each month to fund the following programs, so you might as well take advantage of them – after all, you’re already paying for them.

Program Highlight:

Energy Programs

If you find you are paying more than \$3,000 a month for your energy bill, there are several programs available to you. The first three you would start with are...

1. Business Sustainability Challenge
 - a. Description:
 - i. The Business Sustainability Challenge helps manufacturers with...
 1. Energy and operational cost reductions
 2. Increased productivity, efficiency, capacity and flexibility
 3. Waste stream and carbon footprint reductions
 4. Reduction in lead times, scrap and rework
 5. Improved employee engagement
 6. Improved customer satisfaction
 7. Increased competitiveness, resiliency and profitability
 - b. Cost:
 - i. UI Customers – multiple phases available – all at no cost to the manufacturer
 - ii. Eversource Customers – four phases available with phase 1 and 2 free and phase 3 and 4 are a 50/50 cost share. (Note: Typically, the savings advantage from phases 1 and 2 generate more than enough savings to cover the cost of phases 3 and 4.)
2. Energy Usage Assessment
 - a. Description:
 - i. The Energy Usage Assessment program of two parts...
 1. Assessment – identify energy efficiency opportunities within the equipment, processes, and systems of your facility.
 2. Analysis – detailed overview of your facility’s energy usage and conservation measures that can be implemented to reduce your energy costs.
 - Note: Some providers include a training component to establish a continuous improvement approach towards driving down energy costs. (contact CTmrg for a preferred vendor)
 - b. Cost:
 - i. The program is a 50/50 cost share with the Utility. The cost to the manufacturer ranges from \$3,000 - \$8,000 depending on the size, type and complexity of the facility. However, it will help you to stop paying for energy you don’t need.

Along with reducing your energy cost, the utility will pay you 5 cents per Kw hour saved through the implementation of energy conservation measures.

3. PRIME (Process Re-engineering for Increased Manufacturing Efficiencies)
 - a. Description:
 - i. The PRIME program helps manufacturers...
 1. Reduce energy needs
 2. Increase productivity and efficiency
 3. Improve on-time delivery
 4. Improve competitiveness by adopting Lean Principles
 - b. Cost:
 - i. Phase 1 and 2 are free.
 - ii. Phase 3 and 4 are a 50/50 cost share. The cost to the manufacturer is \$4,000 per phase.
(Note: Typically, the savings obtained by taking advantage of the PRIME program covers the cost of the program.)

There are several other programs available through the federal government, as well as other organizations like DECD; however, the three programs above are the starting point.

Funding Highlight:

These are all Energize CT programs, and are funded through the Combined Public Benefits Charge highlighted on the bill above.

Vendor Highlight:

These programs, administered by Eversource and United Illuminating, are fairly complex, and there are several approved vendors that provide these and other programs. Please contact CTmrg to determine which vendor would best suit your needs. The programs themselves pay the vendor's fees, so there's no additional cost to you.

So what's next?

Step 1 – Contact CTmrg for the Energy Vendor that best fits your need. If you need a human resources consultant, please contact CTmrg, and we will provide you with a vetted resource.

Step 2 – Work with your energy vendor to create a program that works for you.

Step 3 – Implement the program and begin saving.

Step 4 – Stay in touch with CTmrg to let us know how it's going and provide feedback on the quality of the vendor referred.

Your Financial Benefit:

Your initial investment of time for participating in these programs will pay off with significant savings in energy, waste stream and production costs. While the near-term gains to be captured make these programs a great value, the real benefit is in the long-term improvements and cost reductions to be had by implementing the learned concepts and technologies throughout your operations. It is not uncommon for companies adopting this continuous improvement approach towards energy management to realize bottom line improvements ranging from 10% to 30%.

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