

Special Report - Product Assessment
Envinta One-2-Five Pilot

prepared by

Research Into Action, Inc.

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Final Report

FIRST FOLLOW-UP OF ENVINTA PILOT

Funded By:



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1. INTRODUCTION

The Northwest Energy Efficiency Alliance (the Alliance) is a non-profit group of electric utilities, state governments, public interest groups and industry representatives committed to bringing affordable, energy-efficient products and services to the marketplace.

In September 2001, The Alliance contracted with Research Into Action, Inc. to conduct an assessment of the Alliance EnVinta Pilot Program. This introduction will discuss the nature of the EnVinta Pilot program and the approach taken to assess the pilot effort. The following chapter discusses the findings of this assessment.

THE ENVINTA PILOT

The EnVinta Pilot program was set up to test a unique product offered by Energetics, an Australian engineering company and their American subsidiary EnVinta. The following describes the service and the pilot.

The Service

Energetics developed the *One-2-Five Energy*® software program as a front-end service to clients. The program is proprietary software that guides a firm through a series of questions that serve as a diagnostic to detect management opportunities to reduce facility energy use.

This product differs from the more familiar services such as a technical audit of facility equipment and envelope conditions, consulting services that provide assessment of energy management capability, and energy accounting software and services that look at energy usage practices.

The *One-2-Five Energy* diagnostic takes two hours and is conducted in an interactive workshop format with a management team for a facility. The software is designed to adjust for different types of facilities, be they commercial or industrial, and to be responsive to different business types and sizes and different types of management.

The diagnostic process concludes by identifying five critical activities for the facility to undertake to move in the direction of best practices in energy management for

1. Introduction

their industry or business type. These activities are identified for the facility in a report that is delivered to the facility contact within a few days following the diagnostic.

The Alliance EnVinta Pilot

The Alliance learned of the EnVinta One-2-Five Energy program in summer 2001. EnVinta and Energetics indicated that the program was very effective at informing firms of opportunities to manage energy differently and had been used successfully in Australia and had recently been adopted by many utilities in the United States as a service for their industrial and large commercial customers. In the summer of 2001 it also became an EPA ENERGY STAR® qualified service.

The Alliance interest in the One-2-Five Energy program arose from the fact that it appeared to have a unique approach targeted at identifying barriers to efficiency in management structures. However, because this approach appeared to be unique, the Alliance determined that the best way to assess the real value of the program was to engage a few large industrial customers in a “pilot” test.

Ken Cannon of the Industrial Customers of Northwest Utilities (ICNU) was also interested in the diagnostic service and worked with the Alliance to identify firms that might be responsive to participating in a pilot effort to test the value of the program.

Six firms were identified and Ken Canon sent all six a letter encouraging them to participate in the pilot. Four firms with a total of five locations agreed to participate and EnVinta staff proceeded to set up meetings at the five facilities. Table 1 displays the five facilities.

TABLE 1
ENVINTA PILOT PARTICIPANTS

Table with 3 columns: FIRM NAME, BUSINESS TYPE, LOCATION. Rows include Longview Fibre, Georgia Pacific Wuana Mill, Georgia Pacific Camus Mill, Hewlett Packard Corvallis, and Simplot Caldwell Food Group.

The five diagnostics were conducted between September 28 and October 26, 2001. All but one was done within the first two weeks of the pilot. EnVinta provided each facility contact with an electronic and hard copy of the results within two weeks of the diagnostic. In three cases, EnVinta also made an oral presentation to the management group, due to scheduling issues they were conducted in late November and mid-December. One facility requested a limited presentation one by phone and the fifth facility refused the offer of a presentation due to time constraints on the management team.

EVALUATION APPROACH

The evaluation has the following objectives:

- Observe and comment on participating facility response to the diagnostic workshop;
- Assess facility response to the diagnostic results after the presentation
- Make recommendations to the Alliance about the diagnostic as a market transformation service

To accomplish these objectives Research Into Action attended three of the five diagnostics in-person, conducted follow-up discussions with each of the lead contacts for the five facilities within about one to three weeks after the presentation, and attended meetings with Alliance staff to discuss the EnVinta experience. In addition, Alliance staff attended four diagnostics in-person.

The next section describes the findings from the on-site observation and follow-up discussions.

2. FINDINGS

The findings are divided into two sections, on-site observations and follow-up response.

ON-SITE OBSERVATION

Research Into Action attended three diagnostics and subsequently discussed the experience with Alliance staff during the return car trip after the diagnostic. At all three sites the diagnostic was well received by the facility staff. All three sessions were attended by a wide-range of facility personnel and each resulted in a lot of discussion and dialog in response to the diagnostic questions.

At one site, EnVinta attempted to link two sites using teleconferencing capabilities. Each site was able to observe the same computer analysis of the response to the diagnostic questions. While the process worked, it made the diagnostic much slower to complete and it was not possible for EnVinta to keep to the two-hour time slot.

Two of the sites conducted the diagnostic specifically for the facility in which they all worked, with each participant portraying their own experience of the facility. One of the sites conducted the diagnostic at a corporate level, with the participants taking the role of different corporate positions. The single-site diagnostics appeared most satisfying for those present; the corporate diagnostic appeared to be less satisfying.

The primary reason for the lower satisfaction was explained by EnVinta staff as occurring because a diagnostic at the corporate level takes the lowest common denominator as the result for the corporation as a whole. In the case of the site-specific diagnostic, participants seemed to feel the diagnostic was consistent with what they observed in their facility.

Research Into Action and Alliance staff attending the diagnostics noticed a few things that need attention in the diagnostic software. Currently the diagnostic takes too much time to display progress, this caused some impatience among participants. We also noted that the report delivered to each company had extraneous boilerplate information that could be condensed.

EnVinta staff offered that they were working on a new version of the diagnostic that would reduce some of the questions, which sometimes seem redundant to

participants. The new version will also display progress more efficiently. The goal is to improve the ability of EnVinta to complete the diagnostic and report results in the two-hour time frame. Our assessment is that this would be an important improvement as only one of the five diagnostics was done rapidly enough to provide preliminary results at the end of the session.

Research Into Action and Alliance staff also noted that while there are specific aspects of the diagnostic that require training, the diagnostic could be delivered (following training by EnVinta) by anyone with skills and knowledge comparable to a utility account manager. EnVinta does provide such training and told us that they have trained several staff members at BC Hydro.

The overall impression of the diagnostic is that it facilitates a management audit of energy management capabilities of the facility. In all three cases we observed, this was a more in-depth and more detailed look than the team had done on their own; and participants indicated that it was useful. Observing the interactions, it appears that the *One-2-FiveEnergy* process could help a facility internalize the energy management assessment more fully in comparison to other approaches such as a technical audit or presentations about energy management by experts.

FOLLOW-UP CONVERSATIONS

After the diagnostic report was provided to each facility, three scheduled an on-site presentation, one a phone presentation and one no presentation by EnVinta. Research Into Action contacted the lead contact for the five facilities after the presentation.

The interviews took about 20 minutes. In the three cases with on-site presentations by EnVinta, Research Into Action placed calls both before and after the presentation so that we would have a clear sense of what the facility thought of the written material before too much time had passed.

Why The Facilities Participated

The lead contacts had all received a letter from Ken Cannon of ICNU. All but one indicated that the letter was the main reason they agreed to participate in the diagnostic. One contact indicated that while it was helpful, they were already aware of the *One-2-Five Energy* service and once it was offered by the Alliance they were pleased to take it.

2. Findings

The second reason for agreeing to participate was that it was free. None of the facilities would have paid for the diagnostic; all indicated that the price was right.

Initial Impressions

All contacts for the five facilities expressed positive initial impressions of the diagnostic. The facility staff at four of the facilities spent time informally talking about the diagnostic after it was over. The company that did not talk much about it informally was the company that pursued the diagnostic at a corporate level.

Plans After the Presentation

Four of the facilities had either an on-site (three) or a telephone (one) presentation by EnVinta to discuss the results. For the facility where there was no presentation by EnVinta, the team devoted most of a team meeting to discuss the results and assign tasks.

Four of five facilities developed a team to respond to the recommendations after the presentation or meeting. The only team that did not do this was the one that had a presentation by phone and had done the diagnostic at a corporate level. They are considering holding diagnostics at specific sites in the future, but they do not have the funding. One option is to do an ENERGY STAR *One-2-Five Energy* diagnostic for one site.

The company that did not have a presentation has assigned activities to team members. Including assigning the senior manager the task of developing an energy policy. Two of the facilities that had an on-site presentation have assigned the problem to their Mill Improvement Program teams. These teams will take the recommendations and the overall estimate of savings potential, identify specific activities that can be done at the mill, set priorities for each and proceed to implement them. The firm contact for the diagnostic is pursuing a corporate energy policy statement, but believes this will take time to develop.

The final facility also had an on-site presentation. They are interest in having multiple other site-specific diagnostics at their eight plants in the Northwest. They are currently pursuing a variety of approaches to understanding energy in their facilities. One plant just had a technical audit another is doing detailed measurement on some process points. The firm contact believes *One-2-Five Energy* diagnostics at these plants could help consolidate the learning. However, the company does not have the funds to pursue this immediately, they expect that it will take one to two years using their own funds.

Overall Impression

The five facilities all had a positive experience with the diagnostic. All of the contacts thought the diagnostic was worthwhile. None of them are prepared to conduct diagnostics using their own funds. And some of the comments suggest that despite the immediate influence of the diagnostic on participants thinking, it is difficult to see the diagnostic leading to corporate wide change.

Some of the comments follow:

“Easy way to get a quick assessment of plant environment. Focused on non-capital areas, an attitude not a widget thing!”

“A big issue is communication to all levels of the organization. Going through the diagnostic was very illuminating to us.”

“The team thought it was great, really worthwhile. But as a manager I thought it was more fluff than stuff. Not sure I would recommend it, but it was good for us as we had not been paying as much attention to energy as we should.”

“The feedback was good, but not easy to implement. The premise is like with safety “plan, do, check”. Intuitively this makes sense, but you need a champion and someone who can delegate. ... Ultimately we need more upper management direction to set targets and goals.”

“ The savings are not large, but if we could double them that would be great.”

“No one is in charge of energy at our company. The West Coast energy crisis got attention, but the key issue is to keep the focus on energy in ‘good energy’ times and in bad economic times.”

SUMMARY OF PILOT EFFECTS

The EnVinta *One-2-Five Energy* diagnostic provides an energy management audit as the result of a two-hour interactive workshop with key facility staff. The Alliance Pilot at five facilities in the Pacific Northwest was positively received.

Based on the comments from the lead contact for the five facilities, our assessment is that without additional intervention by the Alliance three of the facilities will attempt to implement some of the recommendations and to develop a site-specific energy management policy.

2. Findings

One other facility may pursue these activities on the own, but is currently interested in additional Alliance funding to facilitate this. The fifth facility is unlikely to attempt to implement any recommendations, however, they may pursue a site specific diagnostic, if so, it would be interesting to observe whether they are then more willing to consider taking actions.

The following are some conclusions and recommendations.

Conclusions

- To our knowledge there are no competing products similar to *One-2-Five Energy* in the market place; it is a unique service offering targeted at management level decision-makers.
- The letter from Ken Canon of ICNU was critical to obtaining cooperation and interest in the diagnostic.
- A corporate focused diagnostic is less likely to lead to action than a site-specific diagnostic.
- The *One-2-Five Energy* diagnostic was well received and appears to be leading to self-implementation efforts at three of the five facilities.
- There is little indication that of these facilities will be willing to pay for additional diagnostics on their own in the near future. One firm did express interest in doing additional diagnostics using their own funds, over a two-year period.

Recommendations

- Future efforts will likely need a similar letter from Ken Canon to gain access to and interest from industrial customers.
- Only site-specific diagnostics should be offered.
- It will be useful to conduct a second follow-up at least six months after the presentations to assess what progress has been made at the five sites.
 - If any of the sites benefit from the diagnostic recommendations the second follow-up would provide material for promoting the diagnostic as a reasonable investment for facilities to make on their own.

2. Findings

- If none of the sites benefit from the diagnostic the second follow-up might be able to identify resources that could be used to facilitate efforts to implement the recommendations.



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