

Focus on Demand

2019 ANNUAL REPORT



At Efficiency Smart, we embrace innovation and continuously evolve our services to meet the needs of American Municipal Power, Inc. (AMP)’s member utilities and their customers.

Therefore, when AMP member utilities expressed a desire for services to help control increasing transmission costs, we expanded our traditional megawatt-hour (MWh) savings program to address these concerns.

In 2019, we modified our comprehensive program options to offer both energy and demand savings goals. Communities subscribed to Efficiency Smart at the High-Performance level now have the option to select from either the Energy Focus program or the Demand Focus program. In addition, we introduced a new Enhanced Performance program.

Communities that select Energy Focus receive an additional load reduction goal, while those that select Demand Focus receive an additional summer peak reduction goal. The Enhanced Performance option provides both the increased load reduction and summer peak reduction goals.

This new model—combined with Efficiency Smart’s focus on customer satisfaction and economic development—led to increased interest from AMP member utilities. More communities joined Efficiency Smart in 2019 than any previous year. This includes the largest expansion to communities outside Ohio.



Painesville, Ohio (pictured here), was the first community to subscribe to the new Demand Focus option

2019 Key Results

We worked with participating communities to complete 12,451 residential and 229 business upgrades. This resulted in 20,019 MWh savings, which is the equivalent of reducing the annual electric use of nearly 2,400 homes. ¹



Electricity Savings
2,400 homes

These energy efficiency improvements provide long-term benefits for businesses, residents, and participating utilities. The projects will save \$24,631,651 in electric costs over the lifetime of the products installed, and utilities will save \$18,041,641 directly from the improvements.

Efficiency Smart is a cost-effective investment for our participating communities. They will, on average, receive a return of \$4.41 for every dollar spent on energy efficiency in 2019.



Return on Investment
\$4.41 for every \$1



¹Based on the EPA Greenhouse Gas Equivalencies Calculator: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

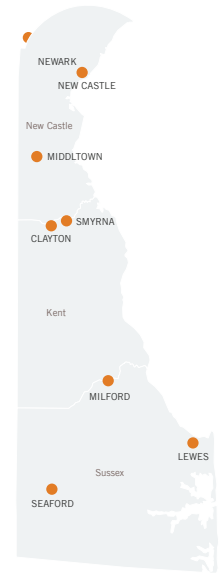


2019 Enhancements

Efficiency Smart introduced a series of new enhancements for participating communities, which included:



 <h3>\$100 Rebate</h3> <p>Select Air Source Heat Pumps</p> <p>Air source heat pumps work by absorbing heat from the outside air and transferring it into your home. Modern heat pumps can reduce your electricity use for heating by approximately 50% compared to electric resistance heating such as furnaces and baseboard heaters.</p> <p>Eligibility information:</p> <ul style="list-style-type: none"> SEER Rating: 15 or higher HSPF Rating: 8.5 or higher EER Rating: 12.5 or higher 	 <h3>\$700 Rebate</h3> <p>Select Cold Climate Air Source Heat Pumps</p> <p>Cold climate air source heat pumps are designed specifically for very cold climates and can efficiently extract heat from air with temperatures far below 0°F. These heat pumps provide a very efficient way to heat your home, lower electric bills and improve comfort.</p> <p>Eligibility information:</p> <ul style="list-style-type: none"> SEER Rating: 15 or higher COP at 5°F: 1.75 or higher (at maximum capacity operation) HSPF Rating: 10 or higher (non-ducted systems) HSPF Rating: 9 or higher (ducted systems)
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Electric Bill Advice

Efficiency Smart launched an Electric Bill Advice program to help residents understand their electric use and how it can lead to high bills. Through this free service, our customer support specialists provide residents with specific recommendations that can lower their electric use, many of which are low or no-cost to implement.

Heat Pump Rebates

Efficiency Smart introduced rebates for air source and cold-climate air source heat pumps to make switching to the technology more affordable. Heat pumps are one of the most efficient ways to heat and cool homes. Improvements with the technology, specifically with the cold-climate models, allow them to heat homes without the need of supplemental heating sources.

Website

Residents are now able to access a curated list of energy efficiency tools and tips on a new Resources webpage. Additionally, a new online chat feature provides customers a quick and convenient option for help with energy efficiency questions in real time.

Delaware

Efficiency Smart hired staff in the state of Delaware to increase its local presence and provide hands-on support to the growing number of subscribed Delaware Municipal Electric Corporation (DEMEC) communities.

Moving Forward 2020

Efficiency Smart continues to evolve its services and there are several planned improvements underway for 2020, including:

A free Online Home Energy Assessment tool to help residents evaluate their electric use and identify potential energy efficiency improvements and rebates

An increased focus on community outreach

New program names that clearly define available services and help customers identify the best program for their needs

Efficiency Smart is proud of its role as the trusted energy efficiency guide for residents, businesses, and utilities. We are committed to improving services and finding new ways to drive long-term economic benefits for participating communities. We welcome the opportunity to discuss the specific needs of individual communities and to help identify services that work best for them.



2019 Results

Summer Peak kW Savings



2,649 kW
Total

1,613 kW
Commercial

802 kW
Industrial

233 kW
Residential

Annual MWh Savings



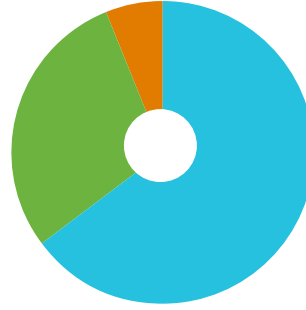
20,019 MWh
Total

11,531 MWh
Commercial

6,104 MWh
Industrial

2,384 MWh
Residential

Lifetime MWh Savings



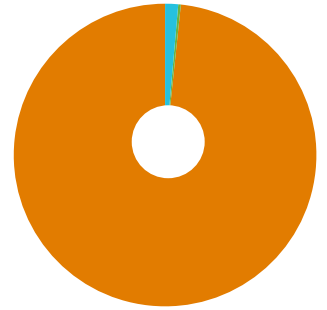
274,171 MWh
Total

177,831 MWh
Commercial

79,738 MWh
Industrial

16,601 MWh
Residential

Project Completions



12,680
Total

180
Commercial

49
Industrial

12,451
Residential

Emission Reductions

38,724,753 lbs
Carbon Dioxide
(CO₂)

3,443 lbs
Methane (CH₄)

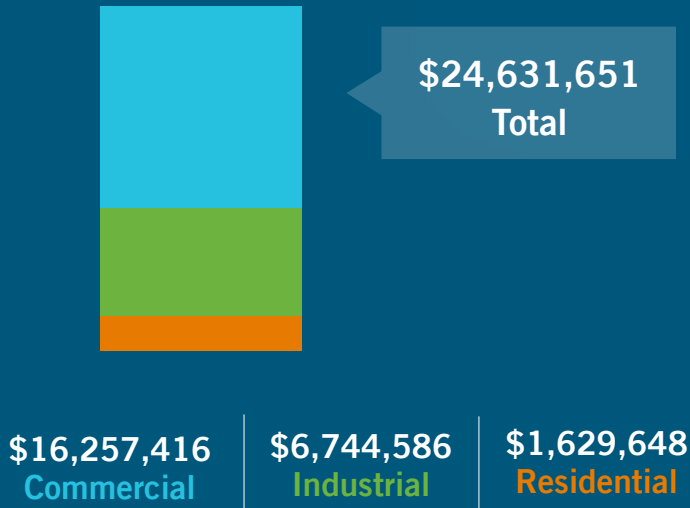
30,469 lbs
Nitrogen Oxide
(NO_x)

580 lbs
Nitrous Oxide
(N₂O)

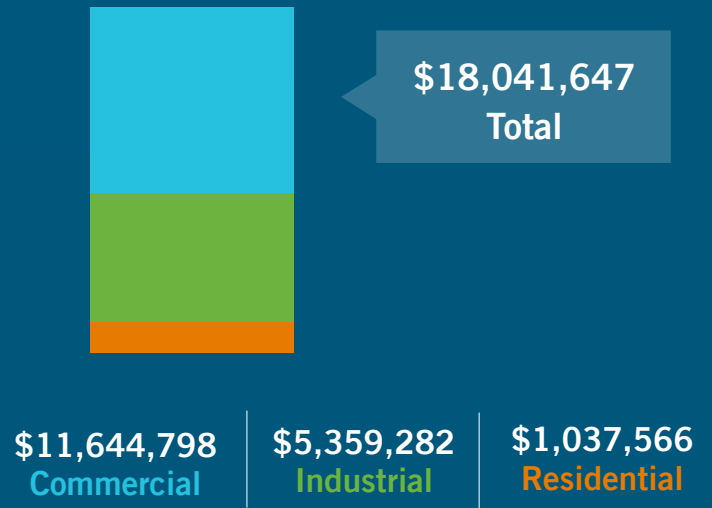
43,742 lbs
Sulfur Dioxide
(SO₂)

2019 Results

Lifetime Customer Savings



Total Electric Benefits²



Aggregate Benefits

$$\begin{array}{r}
 \$18,041,647 \\
 \text{Total Electric Benefit}
 \end{array}
 \div
 \begin{array}{r}
 \$4,090,660 \\
 \text{Member Cost}
 \end{array}
 =
 \begin{array}{c}
 \mathbf{4.41 : 1} \\
 \text{Benefit-to-Cost Ratio}
 \end{array}$$

Levelized Cost of MWh Saved

$$\begin{array}{r}
 \$4,4090,660 \\
 \text{Member Cost}
 \end{array}
 \div
 \begin{array}{r}
 \mathbf{274,171 \text{ MWh}} \\
 \text{Lifetime MWh Savings}
 \end{array}
 =
 \begin{array}{c}
 \mathbf{\$14.92 / MWh} \\
 \text{Levelized Cost}
 \end{array}$$

² Total Electric Benefits represents the present value of lifetime avoided electrical energy and demand charges that result from energy efficiency measures



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