

One Business

Energy Conservation Program



International Falls

Spring 2016

“Our community is interested in new technology that saves money and preserves the environment. I’m proud of that.”

Stephanie Heinle, Owner
Coffee Landing Café

LEDs Outshine T12s in Pilot Program

It is just before noon on a sunny spring day, and cooks at Coffee Landing Café in International Falls are prepping for lunch. Newly installed LED lighting floods the kitchen and illuminates the brilliant red tomatoes on the cutting board. The bright, cheerful workspace reflects a transformation occurring on a much broader scale.

Coffee Landing Café is among 20 businesses and organizations in International Falls and Chisholm that recently switched from outdated T12 fluorescent lighting to energy-efficient LEDs. Their decisions were spurred by a unique Minnesota Power pilot program that offered incentives to both commercial customers and participating installers for replacing T12 troffers and two-lamp strips with LED fixtures.

The utility has now fast-tracked the program and is expanding it to other communities in order to beat a deadline of December 31, 2016—after which T12s no longer will be recognized as a baseline technology for energy conservation rebates in Minnesota.

A Surprise Discovery and Rapid Response

Minnesota Power discovered the need for a T12 replacement program while conducting a series of commercial energy analyses and direct installs in the two cities. While the consensus at the state level is that most T12s have been replaced since the U.S. Department of Energy started phasing them out in 2012, Minnesota Power representatives counted more than 2,100 T12 fixtures during 102 business visits in International Falls alone.

“This proved that T12s are still very common in our region,” said Alyssa Kresky, an energy efficiency analyst for Minnesota Power’s Power of One® Business conservation improvement program (CIP). “It convinced Minnesota Power to pilot a program targeting this technology while it still qualifies for maximum rebates.”

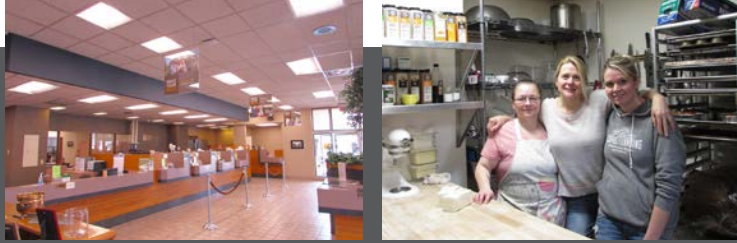
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Emily Ahrens, Business Manager
Rainy River Community College



Partnership Formed to Address Issue

CIP team members chose to focus on replacing T12 troffers and two-lamp strips because they were the most prevalent fixtures found in the analyses. They approached manufacturers and distributors of LED products to get the best price for qualifying replacement fixtures and agreed to a mid-stream buy down that significantly reduced the cost of LEDs for customers. Minnesota Power also offered a special bonus to participating contractors, paying them \$10 for every qualifying fixture they installed.



(from left) New lighting enhances the interior of Bremer Bank; Coffee Landing Café staff enjoy brighter kitchen work space; Alyssa Kresky and Tanuj Gulati discuss lighting upgrades with Tammy Sjoblom; Rainy River Community College library with new LED lighting

“We provided an incentive so contractors would encourage their customers to upgrade lighting, while keeping the cost to consumers low,” said Tanuj Gulati, of Energy Insight, Inc., an energy consultant for Minnesota Power’s CIP program. “Customers like a full package, so it was good to have local electricians on board.”

Howard Davis of Davis Electric was one of the first contractors to sign up for the program. He replaced T12s with LED lighting at Coffee Landing Café and about a dozen other local businesses.

“I was busy all winter, mostly with lights,” Davis said. “It was good for me and good for my customers. The lighting quality is so much better with LEDs, it doesn’t compare.”

Nursery Sees Growing Advantages

“We cut our number of fixtures in half and have more light with the LEDs,” said Tammy Sjoblom, co-owner of Sjoblom Landscape & Nursery in International Falls. She and her husband, Duane, hired Davis Electric to upgrade lighting at their business after visiting with Gulati and testing a few sample LEDs. “The difference is huge.”

“It has brightened up the store and made it easier for customers to see our products—the plants even seem to grow better,” Sjoblom added. “The buy down from Minnesota Power made it such a good deal, it seemed foolish not to do it.”

College Savings Make the Grade

Decision makers at Rainy River Community College (RRCC) felt the same way when they learned about the T12 pilot program. It accelerated their timeline for upgrading lights in the school’s hallways, commons area, library and staff offices.

“We had completed some LED projects before the T12 pilot and didn’t have the rest in the budget,” said Scott Riley, director of financial aid and facilities at RRCC. “After



Minnesota Power did a project assessment and calculated the energy and cost savings with the buy down, we decided it was the right time.”

“I don’t know if we would have done the project without that support from Minnesota Power,” said Emily Ahrens, business manager for RRCC, noting that Gulati guided them through the process, helped them compare lighting products, and estimated savings. “I’m not going to lie, \$25,000 in annual savings was a big factor.”

Competitive bids by multiple electricians, including Davis Electric, helped lower the installation costs for various parts of the RRCC project even more.

“If we can improve the efficiencies of any utilities we use, whether it is electricity or water, that benefits the taxpayers, the environment and the community as a whole.”

Ken Anderson, City Administrator
City of International Falls

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Sjoblom Landscape & Nursery

Bank Gets Its Money's Worth

Bremer Bank in downtown International Falls also is basking in the light of new LEDs thanks to the pilot program. Although they had upgraded from T12s to T8s several years ago, Minnesota Power allowed them to participate and improve their energy efficiency.

“Our old lights looked shoddy, the colors didn't match, and we were continually replacing bulbs,” said Michael Turenne, president, Bremer Bank. “We were spending about \$1,000 a year just on maintenance. With the potential energy savings and longer lifespan of LED fixtures, this project will pay for itself in three to four years.”

“The new lighting has made a major change in the bank,” said Kurt Kennedy of Kennedy Electric, a participating contractor who installed the bank lighting. “People are interested in LEDs, but the cost is still a deterrent. The buy down from Minnesota Power made a major difference. I still have customers asking about it.”

“The program definitely created a buzz in the community,” Turenne said. “It was one of those things that generated excitement, and businesses wanted to jump on board once they saw the savings estimates.”

City Leads the Way in Efficiency

One reason for that buzz was the City of International Falls' decision to participate in the program.

“The mayor, city administrator, and City Council showed real vision and leadership,” said Ted Brokaw, head of building and grounds for International Falls. He estimated that the city had about 440 T12s in its buildings, and that 90 percent of its facilities would be T12 free by spring of 2017. “This project is a big one. It never would have happened this quickly or on this level without the buy down.”

Representatives from Minnesota Power, including program manager Tim Gallagher and Gulati, helped Brokaw make the case for the investment in lighting upgrades. They met with city officials and attended a City Council meeting to explain the pilot program and its money- and time-saving advantages.

“We are fortunate to have an electrical supplier like Minnesota Power, and this pilot program certainly is helping the city provide better lighting at greater efficiency,” said International Falls Mayor Bob Anderson. “We need to be a leader in this area, and hopefully the business community finds the same value we find for citizens in keeping our costs in line and providing a good workplace for our employees.”

“Taxpayers expect the greatest efficiencies and the best bang for their tax dollars,” said Ken Anderson, city administrator. “If we can improve the efficiencies of any utilities we use, whether it is electricity or water, that benefits the taxpayers, the environment and the community as a whole.”

Coffee Talk Spreads the Word

Meanwhile, back at Coffee Landing Café, owner Stephanie Heinle shared a similar sentiment over a steaming cup of coffee.

“Our community is interested in new technology that saves money and preserves the environment,” Heinle said. “I'm proud of that. Other businesses see me change to LEDs and they want to do it; employees talk about it with customers. The word is spreading, and, when people have questions, Minnesota Power is there to help.”



For more information:

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