

One Business

Energy Conservation Program



Lion Hotel Group and First Properties

Summer 2016

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Barb Perrella, Property Manager
First Properties

Property Managers Choose LED for Hotels and Offices

Families and business travelers who book reservations at a Holiday Inn Express usually know what to expect—a simple, engaging hotel that provides the amenities they need the most, without a lot of bells and whistles. The new Holiday Inn Express & Suites in Hermantown, Minn., delivers on that promise and more. It welcomes guests to a bright, inviting atmosphere enhanced by light emitting diode (LED) lighting and other technologies that exceed industry standards for new hotel construction and current codes for energy efficiency.

The facility is lit almost entirely by attractive, state-of-the-art LEDs, from the parking lot, lobby and pool area to hallways, guest room entries and bathrooms. Even the sleek, modern floor and desk lamps in the guest rooms use durable, long-lasting, energy-efficient LED bulbs.

“The majority of fixtures are LED—about 99 percent,” said Kelsi Thompson, project manager, Lion Hotel Group, a division of Labovitz Enterprises. “That decision definitely was influenced by our relationship with Minnesota Power.”

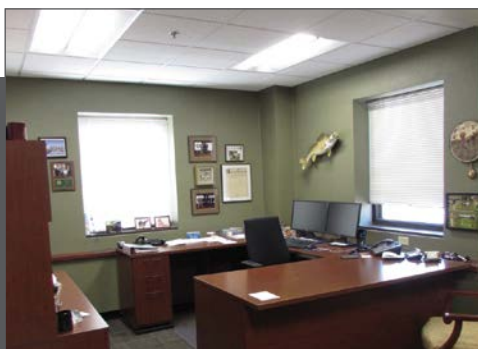
Lion Hotel Group has worked with Minnesota Power’s Power of One® Business conservation improvement program (CIP) on numerous energy-efficiency upgrades

over the years. They include mixed energy-efficient lighting and heating, ventilation and air conditioning (HVAC) improvements at the Holiday Inn & Suites in downtown Duluth, which the company also owns and manages.

Decision makers for Lion Hotel Group began to consider LEDs in 2014 after First Properties, another division of Labovitz Enterprises, chose to install LEDs in office space the two companies share in Duluth’s Missabe Building.

“We started the conversion to LED when we moved into (the Missabe Building) in December 2013,” said Barb Perrella, property manager, First Properties. “Our office renovation was almost done, and we still had T12 fluorescent lighting in the space. Minnesota Power recommended that we remove the T12s and install LED fixtures and lighting controls. It was a hard sell in the beginning because we didn’t understand the difference it would make.”

Minnesota Power jumpstarted the project with enhanced rebates. The utility is striving to help businesses replace obsolete T12 lighting throughout its service area by the end of 2016, when it no longer will be recognized as a baseline technology for energy conservation rebates.



“The colors and the office space looked so much better,” said Perrella. “We needed fewer fixtures, and the light quality improved so we could see things better.”

Shortly thereafter, decision makers with Lion Hotel Group decided to install LEDs in the ballroom at the Holiday Inn & Suites, which was undergoing a renovation.

“We had not planned to replace the fixtures, just the tiles and finishes, but there were issues with constantly having to replace and maintain the old lights,” Thompson said. “Once Minnesota Power helped us analyze the energy- and cost-saving benefits of LEDs, we were able to convince our team.”

Since then, energy consultants for Minnesota Power have worked with First Properties and the Lion Hotel Group to upgrade additional lighting plus HVAC systems in their facilities.

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First Properties is steadily converting other floors of office space in the Missabe Building to LEDs. It has installed a new water source heat pump for its server room that has higher efficiency ratings than state code and added new programmable thermostats to obtain better temperature control and optimize heat pump run time. Conservation improvements to date are saving the company 268,000 kWh of electricity per year and have reduced monthly demand by more than 60 kW. These changes have qualified for over \$13,000 in Power of One® Business rebates from Minnesota Power.

“Energy efficiency is a selling point for this building,” Perrella said. “When I lease space that will be renovated, I

bring tenants up to our offices, show them the LED lights and tell them how much we like them.”

The Holiday Inn & Suites has installed mixed energy-efficient lighting in guest rooms, the lobby and other spaces, including LEDs in its third floor atrium and pool area and about half of its parking lot. The hotel has upgraded more than 70 packaged terminal air conditioners (PTACs) with heat pump units that exceed current codes. Combined projects since 2014 are saving the Holiday Inn & Suites more than 450,000 kWh of electricity per year. They have reduced monthly electric demand by almost 107 kW and qualified for over \$17,000 in Power of One® Business rebates.

Lion Hotel Group officials expect to see significant energy and cost savings at the new Holiday Inn Express & Suites thanks to LED lighting and energy-efficient PTACs with heat pumps and controls.

“Our relationship with Minnesota Power has made us much more conscious of energy efficiency and knowledgeable about technologies in working with the designer and electricians for the new hotel,” Thompson said. “They do the legwork so we can make informed decisions. I’m not sure we would have been able to move forward on these projects without that support.”

“We help customers analyze their options and make choices that fit their needs and meet their expectations,” said Craig Kedrowski, energy efficiency analyst-lead. “For example, LEDs have come a long way, but customers still have to be cautious about the quality of fixtures.”

“As a business, I can’t see us spending the time researching products, costs and rebates,” Perrella said. “Having Minnesota Power’s knowledge and experience is very valuable.”

“Customers like First Properties and Lion Hotel Group understand the value of energy efficiency and want to learn,” said Tanuj Gulati, an energy efficiency consultant for Minnesota Power’s CIP. “They get it.”

That should make guests at the new Holiday Inn Express & Suites in Hermantown rest easy.



For more information:

Take the first steps toward managing energy use and costs at your business. Get started by filling out our free online pre-application at

www.mnpower.com/BusinessPreApp

Learn more about Power of One® Business, Minnesota Power’s commercial, agricultural and industrial energy conservation program by calling **218-355-2909** or visiting www.mnpower.com/OneBusiness