



Green is the new black

Small businesses look for big energy savings

By: Martin Daks

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Energy costs are a big deal for many businesses, particularly smaller companies that collectively spend about \$60 billion a year on power-related expenses, according to federal estimates. The bulk of the bills are often associated with big-ticket, inefficient lighting and heating, ventilation and air conditioning equipment. Fortunately, a solution doesn't have to cost an arm and a leg, because a New Jersey program can help to reduce upfront costs.

Consider an operation like **Ripley's Believe it or Not! Atlantic City**, an "odditorium" that houses a collection of more than 400 exhibits and artifacts from around the world. "We're open 365 days a year, with an average of 50,000 domestic and international visitors annually, so we can't skimp on heating or air conditioning," said manager Chris Connelly. "People won't pay to come in if it's too cold inside during the winter, or too hot inside during the summer."

When it was time to upgrade the 12,000-square-foot facility's HVAC and other systems, Ripley's turned to **Hutchinson**, a company that provides engineering, plumbing, heating and air conditioning services. "Ripley's had been using a different company for years, but we wanted to shop around," Connelly said. "Hutchinson was the only company to provide a comprehensive price quote."



From left, Hutchinson Project Manager Mike Hutchinson, Ripley's Believe it or Not! in Atlantic City Manager Chris Connelly and Hutchinson Director of Commercial Services Peter Hatton. – PHOTOS: AARON HOUSTON

“For the free energy assessment, Chris at Ripley’s provided his utility bills upfront – allowing us to determine usage and develop a Direct Install scope of work that benefited his business the best,” said Mike Hutchinson, Hutchinson commercial sales representative.

The contractor is also enrolled in [Direct Install](#), part of the New Jersey Clean Energy Program initiative that can offer incentives and financing to small- and medium-sized businesses that take the sting out paying for improvements. Other programs administered by the state Board of Public Utilities, like the Large Energy Users Program, are designed for big projects.

In the Ripley's engagement, under the Direct Install program Hutchinson installed three energy efficient HVAC units and converted all interior lighting from incandescent and fluorescent to energy-efficient LED. The savings go beyond the hundreds of dollars a month that have been chopped from Ripley's heating, cooling and lighting bills. "Our building has thousands of interior light bulbs," and a few dozen needed to be replaced each day, according to Connelly. "LED is a cost-effective solution—the lighting lasts longer and we save on utility bills and manpower from swapping out the bulbs."

"To ensure seamless business operations, our team started the HVAC high-efficiency installs at sunrise and completed most of the HVAC work in a day. LED lighting upgrades will provide Ripley's with lighting that lasts longer and saves electricity," said Peter Hatton, director of commercial services, Hutchinson.

The price tag for the makeover, including parts, was about \$69,000, but the state program paid outright for about \$44,200, according to Connelly. "We're absolutely happy with Hutchinson's work. Other companies wanted about \$40,000 just for the HVAC work, and none of them mentioned anything about the Direct Install program."

Ripley's is saving nearly \$11,000 on energy costs, according to Ed Hutchinson, president of the company. "We're always preaching about the benefits of the Direct Install program," he said. "Between the energy savings and the state picking up part of the cost, a business can often recoup its net investment in a year to two-and-a-half years. The program is also totally turnkey, since the contractor handles all the paperwork. Also, the business customer doesn't have to wait for a rebate [instead, a customer generally pays the net balance to the contractor], and that's big."

More interest in conserving energy

Thanks to greater awareness about conservation and attractive programs like Direct Install, an increasing number of businesses are interested in upgrading their energy-intensive devices, said Matthew Kahn, manager of the Utility Program Development at Lime Energy, a consulting services company that partners with contractors to design and install energy saving systems.

The process starts with a no-cost energy assessment, he said. Then, "We walk the customer through the recommended upgrades, discuss the benefits and evaluate other alternatives. A proposal we issue contains the equipment that will be changed and the associated costs, along with the estimated energy usage and energy bill savings."



Chris Connelly, manager, Ripley's Believe it or Not! in Atlantic City.

One customer, a 24-hour gas station in Clifton, upgraded its HVAC in addition to interior and exterior lighting. The result, according to a Lime announcement, was \$4,872 in annual savings. The station also took advantage of \$15,889 in Direct Install incentives on the \$22,689 project.

The time it takes for small businesses to recoup their investment depends on the size of the project and the type of equipment that is being upgraded. "The most common payback length is six to twelve months," Kahn added. "Nationally, 50 percent of Lime customers have a payback length of one year or less and 80 percent have a payback of less than two years."

The savings may be impressive, but a lack of awareness is one of the biggest problems to getting more businesses to sign on board. However, that could be changing, Kahn suggested. "Direct Install places an emphasis on educating customers about energy efficiency and the specific benefits for their business," he said. "Still, small business owners are pulled in many directions and rarely have time to focus on reducing energy costs. So Lime provides completely turnkey services to take the hassle out of the project and minimize the time that business owners need to dedicate to their upgrade."

Educational institutions can also benefit from the Direct Install program, according to Ben Altomari, program manager at CMC Energy Services Inc. The company's clients include High Bridge Elementary School, where upgraded HVAC and lighting are estimated to have cut costs by more than \$22,000 a year. The Direct Install program rebated about \$94,500 of the total \$135,109 tab, yielding a payback period of under two years.