255: Market-based Approach to Energy Efficiency in Hospitality

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ABSTRACT

The hospitality industry is a complex market with an intricate structure of owner/management companies, brand and franchisees and range in customer size. A team-based initiative targeting the hospitality industry began in Wisconsin in late 2004.

Considering market-based characteristics the team created tools and promoted technologies specifically targeted for hospitality in order to meet savings goals while providing opportunities for the industry to internalize practices for sustainable savings. Several of the key technology and educational elements of Focus on Energy's hospitality initiative will be highlighted and their effectiveness discussed. Also included is a discussion of the benefits of local and national partnerships.

In the four years since the market-based initiative began, the hospitality team achieved energy savings of 6080 kW, 30.3 million kWh and 1.5 million therms. The success of the hospitality efficiency program is not only due to the program's offerings, but also to partnerships with customers that engaged in the program. Examples of a few successful partnerships and how the customers have capitalized on their participation with the hospitality initiative are highlighted in case studies.

Background

Wisconsin Focus on Energy's commercial sector launched a market-based approach for target markets beginning in 2004. Initial efforts targeted restaurants, healthcare, and grocery stores due to these markets' energy intensity within the commercial sector. After the first six months, the scope of the restaurant effort expanded to include lodging because of its similarities in market structure and the frequency of overlap between the markets. Expanding to the broader hospitality focus also provided larger savings opportunities, improving the cost effectiveness of the team's efforts.

Tied into this target market initiative is the commercial sector's key account management strategy. The approach proactively seeks relationships with larger customers while providing a basic level of service to all customers looking to reduce energy consumption across the state. Each target market is segregated into A, B, and C customers. "A" customers represent larger cost-effective potential and "C" customers represent smaller, hard to reach customers.

Market Definition

In Wisconsin, there are about 15,000 food service operations (Wisconsin Restaurant Association, 2008) varying from carryout to full-service operations. In the lodging industry, based on 2006 data, there were 1,779 hotels, motels, and bed and breakfasts with 80,825 rooms (Wisconsin Department of Tourism, 2006). In the Focus on Energy effort, bed and breakfasts were not addressed due to the more residential nature of their property and operation. The Focus initiative does assist vacation condominium resorts which are not included in the above statistics.

As with many sectors, the hospitality industry has its idiosyncrasies. The complexity of this market is due to the variety of operational structures. From property to property, there is potential variability of ownership, management, franchise requirements, and where the decision-making lies within that property's structure. Reaching the right decision-making level can be a huge barrier for an efficiency program to impact the energy decisions or even to get the customer's attention.

To add to the complexity of the market, the details within this structure are ever changing. A property is bought or sold, a management contract is changed, or a property is reflagged meaning that a change in brand/franchise may occur. Each change affects the dynamic of the customer and the ability of program staff to maintain needed relationships for long term energy planning. Subscribing to industry trade publications, reading local business sections, and maintaining active communication with larger customers can better manage this barrier.

Program Design

Key to the hospitality market efforts is the team that was brought together to work with the market. Besides energy advisors who interfaced with customers, marketing and office staff were also important to delivering the program's offerings to the market. The team was charged with observing the market, analyzing opportunities to increase savings with the market, and deciding methods to achieve the team's ever increasing energy goals.

The team approach resulted in the development of key elements including several technology initiatives and training offerings which are highlighted in Table 1 and 2 and discussed below. These key elements helped provide as many tools and offerings as possible for energy advisors to use to gain customer attention, to engage them in energy management thinking, and to help the customer implement energy savings projects in order for the program to meet its goals. For each element, a different team member was responsible for leading the initiative. This responsibility included recruiting and coordinating with key market providers, completing necessary energy saving calculations and working with marketing and office staff to promote the offering.

Table 1. Overview of Key Program Elements

Design Element	Opportunity	Description
Guestroom Energy Management Controls (GREM)	• Heating and cooling is largest energy user in lodging (EIA, 1999) • Based on occupancy patterns of guestrooms, energy is often wasted when room is not occupied – either not rented or the guest is away	• Systems control guestroom temperature based on occupancy • Occupancy sensed either by infrared sensors or keycard mechanism
Showerhead/Aerators /Pre-rinse Spray Valves	• 17% (EIA, 1999) of a hotel's energy is for domestic hot water • 11% (EIA, 1995) of a restaurant's energy is for domestic hot water • Existing fixtures use 2.5 GPM or more	• High efficiency units reduce flow rate resulting in less energy used for heating the water. • Showerheads – 1.75 GPM • Aerators – 1.5 GPM • Pre-rinse Spray Valves – 1.6 GPM

Design Element	Opportunity	Description
Food Service Equipment	• Cooking consumes 32% (EIA, 1995) of a restaurant's energy	• Standards for energy efficient equipment - ENERGY STAR - Consortium for Energy Efficiency - Food Service Technology Center • Equipment categories include refrigerators, griddles, fryers, ovens, ice machines, hot holding cabinets
Variable Ventilation Control	• Kitchen exhaust hoods typically operate at full flow continuously • Energy is wasted by exhausting more conditioned air than necessary • Kitchen ventilation largest single consuming end use in food service operation. (EDR, 2006) - HVAC is 20-30% of total restaurant load - Kitchen ventilation is up to 50% of HVAC	Varying the flow on the exhaust hood based on sensed cooking conditions saves energy by • Reduction in loss of conditioned air • Reduced fan operation and motor energy
Back of the House Lighting	• Guest experience and return business are key to a hospitality businesses success • Dollars are invested where guests are impacted most (i.e. bedding, amenities, lobbies and halls) • Lighting behind the scenes or "back of the house" (i.e. laundry, kitchens) is often ignored • Back of the House typically operates long hours and hasn't been updated for years	• Promotion to target T12 fixtures that operate 18 hours or more per day. • Bonus incentive to retrofit to high performance T8s
Smart Strategies for Hotels	• Existing Focus on Energy Practical Energy Management training has broad focus • Few lodging participants of original training; participants asked for more specific information for their properties	• Modified Commercial Practical Energy Management using terminology, examples and information related to lodging market • Ideal targeted audience general managers and facility maintenance staff
The Smart Strategies Hotel Tour	• A need to cost-effectively help smaller, hard-to-reach customers • Over two-thirds of Wisconsin properties have less than 65 rooms	• Web-based, interactive tool • Guides customers through areas of their property to identify energy saving opportunities • Provides customer-specific cost saving estimates with a printable report feature.

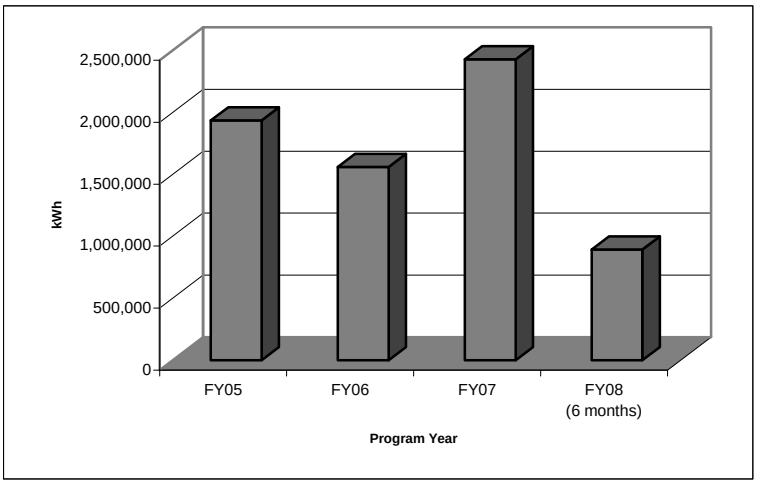
Table 2. Program Design and Impact of Key Program Elements

Design Element	Savings	Delivery Method	Accumulative Impact	Timeframe Savings Occurred
Guestroom Energy Management Controls (GREM)	Custom → Default → Deemed	Varied	4492 Rooms 588 kW 6,816,548 kWh 69,716 therms	3.5 Years
Showerhead/Aerators /Pre-rinse Spray Valves	Deemed (PRSV revised 7/07)	Direct Install	1,551,382 kWh 1,080,390 therms	4 Years
Food Service Equipment	Deemed	Prescriptive	75.8 kW 397,292 kWh 14,426 therms	2 years
Smart Strategies for Hotels			88 participants from 55 organizations	8 trainings in 3 years
Variable Ventilation Control	Custom	Custom	10.223 kW 77,690 kWh 13,476 therms	2 years
Back of the House Lighting	Deemed	Bonus Prescriptive Offering	3.7908 kW 15,552 kWh	3 months & 5 months

Discussion of Element Effectiveness

Guestroom Energy Management Controls. The GREM initiative is a successful key element of the hospitality market initiative providing over 22% of the team's overall electric savings to date. Overall, the success of this initiative was due to the strategic relationships with the vendors of the product and their work with the market, the persistence of the initiative's lead team member, and all the energy advisors work with their key account customers. Direct mail pieces and other marketing have had minimal impact on this offering's success.

Figure 1. Generated Energy Savings from GREM Installations



A historical look at energy savings for the GREM Initiative. Focus on Energy fiscal years ran July 1-June 30.

The offering of this element has evolved during its existence. Many of the program changes are reflected in Figure 1. With the initial custom offering success and additional potential of this element, Focus on Energy launched a prescriptive offering in the initiative's

second year. The graph reflects a drop in savings the second year likely because a prescriptive incentive meant less direct involvement by the team with the potential customers to provide the additional influence needed to keep projects moving toward implementation. Also, at least one vendor indicated that with higher incentives in other states they were spending their customer sales effort outside of Wisconsin.

In the third year of the offering increased awareness and market acceptance of the technology and a bonus incentive offer available through We Energies (largest WI utility servicing the southeast part of the state) led to the 56% increase in electric savings numbers. For the beginning of the fourth year an increase in available program funding allowed an increased incentive for the technology but the numbers unexpectedly low. One factor the team attributes this to, is that previous active vendors in Wisconsin were aware of upcoming direct install efforts (discussed below) and told their customers to wait and see what the actual offer would be.

Though this initiative represents a significant portion of the hospitality teams achieved savings, its 4492 rooms in 34 properties represents only 5.5% and 1.9% of Wisconsin's rooms and properties, respectively. Over 60% of the state's properties representing 40% of the available rooms are properties with 85 or less rooms. The GREM allies traditionally ignore this property classification. Focus on Energy currently operates a direct install initiative targeting this property size with the goal of installing 2,500 GREM units by the end of 2008.

Showerheads/Aerators/Pre-rinse Spray Valves. Each of these measures contributed to achieving goals within the business type in which they are most prevalent. Showerheads and aerators contributed 49% of the gas savings achieved in the lodging market while pre-rinse spray valves contributed 93% of the gas savings and 47% of the electric savings achieved in the restaurant market. For pre-rinse spray valves, direct installation of the units resulted in a majority of this element's savings and all showerheads and aerators were installed using this approach.

With field staff in place for complimentary direct install efforts in other programs, implementation of direct installation blitzes for the hospitality market were easy to launch. The ability to launch efforts quickly to install these measures and quickly achieve savings made this element a key reserve offering when the program needed energy savings to meet goals.

Along with the savings achieved, this key element provided customer outreach benefits. It has an added value offering for existing customers looking to incrementally obtain savings beyond other measures being implemented. For new customers, direct installation helped Focus initiate a relationship while allowing customers to experience success with an efficiency project and thereby increase confidence in pursuing additional projects.

Prescriptive incentive offerings for pre-rinse spray valves (discontinued in June 2007) had little success largely due to minimal support by the distributors selling the product. When questioned distributors indicated that they were too small in the scope of their work to bother to promote.

Food Service Equipment. Food service equipment provided 20% of the electric savings for the restaurant market since the offering's launch in 2006. This is the third highest contribution to savings in this time period, following only pre-rinse spray valves and lighting projects.

Important to this offering's success was that the offering was not limited to restaurants and lodging. Through the market providers and program staff, it is promoted to all commercial businesses including healthcare and grocery as well as Focus on Energy's schools and government program's customers that include many institutions from schools of all academic

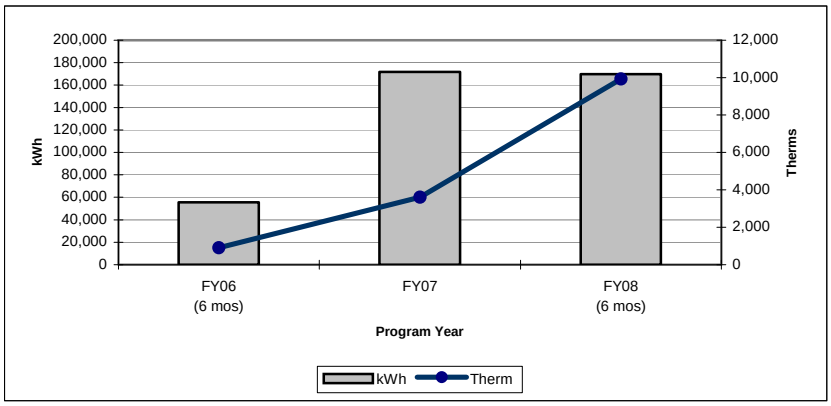
levels to state and federal facilities including prisons. Projects implemented within the hospitality market account for 51% of the electric and 39% of the natural gas total energy savings achieved with the food service initiative.

Without partnerships on a national level, the food service program would not be what it is today. ENERGY STAR provided a great foundation for launching our program. By coordinating with ENERGY STAR, the program developed joint marketing materials for Wisconsin market providers to use in their showrooms capitalizing on the brand awareness of the ENERGY STAR label.

Participating on the Consortium for Energy Efficiency's (CEE) Commercial Kitchens Committee helped the team gain a better understanding of factors influencing the food service industry and provided connections to the resources of the Food Service Technology Center (FSTC). The FSTC assisted Wisconsin's effort by sharing information. Examples include providing updated lists of qualifying equipment as it is tested and resources such as documentation for deeming savings for new measures. Using the same standards for qualification of certain equipment as used by FSTC for the California programs provided credibility with manufacturers familiar with national efforts.

With feedback from market providers, the team expanded portfolio of equipment included in our offerings from the initial portfolio that included ENERGY STAR commercial food service equipment and CEE Tier 1 ice machines to a portfolio that more closely matched California's equipment offerings. This alignment, though incentive values may vary program to program, helped manufacturers and customers with business in multiple areas of the country have more consistent information on what constitutes efficient equipment. The additional equipment has contributed incrementally more savings to the program. Even without this incremental savings specifically from the new equipment categories though the expanded portfolio increased the overall savings achieved by this element because distributors/manufacturers became more willing to engage and support Wisconsin's program when more of their equipment potentially qualified. As seen in Figure 2, the expanded portfolio in FY08 resulted in as much electric savings in just six months as was achieved the previous program year and more gas savings in that six months than achieved for the entire life of the offering.

Figure 2. Generated Energy Savings for Food Service Equipment Initiative



A historical perspective on energy savings resulting from the food service equipment initiative. Savings includes equipment installed in all food service applications not just within the hospitality market.

The success in FY08 as referenced above is also largely due increased market provider engagement in the program. A foodservice advisory board was formed mid-year FY06. This group of distributors, dealers, and manufacturers provided feedback to the program on their needs to better promote the program. Resulting from that discussion, the team provided links to life cycle calculators developed by FSTC and fact sheets on Focus's Efficient Foodservice page on the program website, created a simpler brochure to provide customers a clear synopsis of what they are eligible for. Distributors and dealers can promote their partnership with Focus on Energy at trade shows, in showrooms, and with advertising with point-of-purchase materials created by the program and cooperative advertising opportunities made available through the program. All of these improvements helped increase awareness of and participation in this program offering. At the program's launch in early 2006, the program incorporated a dealer spiff to encourage dealers and distributors to promote the equipment. This offering had minimal impact on achieved savings and was discontinued after the first six months. The team believes that the low participation rates were due to the small dollar amount that the program was able to offer and the inability to pay sales staff directly.

As a method to get incremental savings, the program wanted to align with ENERGY STAR's desire for comprehensive package offerings for food service. Regarding cost, especially for independent restaurant owners with high business failure rates, the financial incentive to purchase one piece of equipment can help but with some of the incremental costs of energy efficient equipment, the financial ability to incorporate more than one piece of energy efficient equipment is limited. The program created a multiple equipment bonus to provide additional incentive for customers to invest in more than one efficient equipment type. Use of this offering in the first six months of the current program year has doubled compared to the rest of the life of this program element.

Smart Strategies for Hotels Training. Though the training was not the only factor in implementation of projects, Smart Strategies participating properties contributed about 1400 kW, 7.5 million kWh (~25% of lodging savings), and 100,000 therms (13% of lodging savings) to the hospitality initiatives generated savings.

Based on evaluations completed by participants, Smart Strategies for Hotels was rated an average of 4.5 out of 5 (5 being excellent) in seven of the eight trainings offered. Participants identified the information shared, tools provided, the practical perspective presented, the new ideas exchanged, and the structure for planning provided as many of the benefits of attending the course. Several attendees repeated the class to become more familiar with the tools and to learn more about what other hotel owners are doing to improve their facility's energy efficiency.

One barrier to continued success is generating the required attendance to make offering the sessions cost effective. The team tried several approaches including direct mail, newspaper and trade magazine advertising, personal invitations and Energy Advisor recruitment with limited success. The single-most attended training event through the program occurred in partnership with the Green Bay Lodging Association. Thirty individuals participated in this training from 18 properties. Another approach tried was with Great Wolf Resorts, headquartered in Madison, WI who offered the Smart Strategies for Hotels in an afternoon during their national general managers meeting. Based on these experiences, partnerships with customers or organizations are key to successfully trainings.

Based on the value of this targeted training, Focus on Energy's market-based training offerings expanded into the grocery and healthcare markets in late 2007.

Variable Ventilation Kitchen Exhaust. This initiative contributed less that 1% of the savings achieved by the hospitality market-based effort. The team coordinated with Melink Corporation, the leading product provider in the market, in an attempt to build awareness and increase installation in Wisconsin. Melink's business plan, understandably, focused on national accounts that did not result in much opportunity for Wisconsin. In Wisconsin, a handful of independent operators with an early adopter mindset were interested in this technology and took the initiative to install variable ventilation on their existing hoods. Overall, the team has found the upfront investment was a barrier to a majority of the restaurant market.

From conversations with Melink, they are more apt to support future efforts in Wisconsin if the program provides a prescriptive incentive for the technology. With the heating portion of the savings being the most benefit for our program, the team has not been comfortable making the correlation for deemed savings purposes. Currently, this technology is still included in the custom program offering but not actively promoted within the hospitality market. There has been higher acceptance outside the hospitality market due to the investment barrier being easier to overcome in institutional situations rather than restaurants.

Back of the House Lighting. Despite the savings potential for back of the house lighting as observed by all team members during customer site visits, there was little uptake for this special program offering. In the initial offering, April through June 2007, the outreach to the customers didn't occur and the turn around for getting a project approved and installed with paperwork submitted was too tight. Focus on Energy re-launched the promotion in October 2007 in hopes that a longer time span (five months) would improve participation. Customers expressed greater interest but there was minimal additional participation. In observation, this might be due to the following factors: 1) not a strong enough understanding of the offering on the market provider side to take help their customers take advantage of it, 2) the additional bonus incentive (almost double the standard incentive) was still not enough to help a hospitality customer redirect their tight budgets to projects that don't impact customers and 3) many customers still don't understand the high performance T8 (HPT8) technology or have not accepted HPT8's for their front of house so installing back of the house is an additional barrier.

The hospitality team continues to communicate the importance of improving all lighting to energy efficient technology but is looking for other ways to ensure that the back of the house is included in any retrofit projects.

The Smart Strategies Hotel Tour Interactive Online Tool. The program has not been able to truly judge the effectiveness of this element. Currently, the only way to track use is if the customer actually saved their project for future reference. Only seven users actually saved their projects. Adding a hit counter for the website hosting the tool would help with the evaluation of this effectiveness.

The team still considers the tool a valuable offering for customers due to the content and ability to guide customers to best practices for their properties. Key to improved effectiveness of this tool is determining how to more effectively increase awareness of the tool's availability and benefits. A promotional mailing was sent to all customers introducing this tool when it went online in July 2007. Also, a link for the tool is provided on the Focus on Energy website's page catering to hotels. Incoming customer calls looking for assistance are directed to this interactive tool as along with provided the program's financial assistance materials. Additionally, incorporating the tool into the Smart Strategies for Hotels training could provide participants

with a simpler easy first step to identifying best practices to include in their energy management plan.

Partnerships with Affiliated Organizations

Besides national partnerships with energy efficiency related organizations, the program recognizes the benefits of aligning with groups that interact with the same markets we are targeting. A partnership that the hospitality team is fostering is with the Wisconsin Department of Tourism's Travel Green Wisconsin initiative. Travel Green Wisconsin is a certification campaign to encourage businesses associated with the tourism industry to "green" their business by implementing recycling, water conservation and energy efficiency practices. The partnership will allow Focus on Energy to capitalize on a Travel Green Wisconsin participant's interest in being greener and encourage them to use Focus on Energy's resources to become green through energy efficiency. It will also work to further engage customers that have shown an interest in energy efficiency to implement projects that can help them gain the marketing advantage that Travel Green Wisconsin can provide.

To gain visibility and reach more potential customers, Focus on Energy works to improve relationships with the trade associations in Wisconsin related to the hospitality markets. Specifically, we targeted the Wisconsin Innkeeper's Association and the Wisconsin Restaurant Association. Within these associations, there are barriers to energy efficiency that Focus on Energy is seeking to overcome. Both key associations in Wisconsin continue to view our program as "just another vendor" and an income source for their lobbying. They have not yet recognized the valuable information resource we can offer their members. Focus on Energy is working to transition the relationship with these organizations from 'vendor' to 'partner' but it takes a continuous effort to communicate the unbiased, third party nature of the role the program plays for their members.

Customer Involvement

Essential to any energy efficiency program are the customers that the program engages in order to meet the program's energy saving goals. In the four years of the initiative's existence, over 1600 hospitality customers have taken advantage of Focus on Energy's financial incentives. This number does not include the numbers of customers to whom we have been able to provide operational guidance or who have implemented projects without using incentives. Following are case studies of a few hospitality customers who took advantage of the portfolio of offerings that the hospitality team provided to the market.

Wisco Hotel Group - 9 Existing Properties, 2 New Construction Properties

Representative of the success of the account management approach of working with customers in the hospitality industry is Focus on Energy's relationship with Wisco Hotels, Inc. Focus on Energy first came into contact with Wisco Hotel Group in 2003 through an outside supplier/manufacturer of Guest Room Energy Management controls. Our initial discussions were with the general manager of one of the hotel properties who was looking to install the GREM controls in all 157 rooms. Based on an engineering calculation of the estimated annual savings, Focus offered a grant to help offset the upfront cost. After the installation was completed, our

measurement and verification team performed a study to determine the actual annual energy savings of the installation. The results of the study were very positive and led Wisco Hotel Group to install these controls in all nine of their properties in Wisconsin. Based on the measurement and verification study, a case study was published by Focus on Energy, highlighting the results of the study and introducing the controls to all interested hotels in Wisconsin.

By the time Wisco Hotels installed these controls in all of their properties, Focus on Energy had already developed a prescriptive incentive per room to have guest room energy management controls installed to help streamline the incentive process for the customer. The general manager of the first hotel had been promoted to Vice President of Operations with Wisco Hotel Group and pledged to align their business with Focus on Energy in all of their future purchasing decisions. Representatives from their maintenance staff attended Focus on Energy's Smart Strategies for Hotels trainings to send the message that they were conscious of their energy usage at their properties. Wisco Hotel Group has since purchased compact fluorescent lamps for their guest rooms, installed heat recovery ventilators in the pool areas of two of their hotels, and installed destratification fans in their large waterpark hotel to reduce the heat loss at the ceiling. Whenever a testimonial is needed from Focus on Energy's marketing department to highlight the benefits of the program, David Phaneuf, Vice President of Wisco Hotels, is always willing to share his experience with Focus on Energy and how it has brought significant value to their business. They were the recipient of the Focus on Energy 2006 Excellence in Energy Efficiency Award and have committed their hotels to the ENERGY STAR benchmarking process to compare their energy usage with other national hotels of their size.

Currently, Wisco Hotel Group intends to build two new construction hotels within the next year and have heavily involved Focus on Energy in the design process to ensure that energy efficiency is incorporated into the hotels. To date, Focus on Energy has helped Wisco Hotel Group save more than two million kWh, 20,000 therms and 125 peak kW annually.

The Wilderness Resorts

The Wilderness Resorts is an example of a strategic account that worked with the program. Focus on Energy first came into contact with Wilderness Resorts in 2005 through a consulting firm looking for financial incentives for a feasibility study to preheat pool water from the building water source heat pump loop at the Wilderness on the Lake Condominiums. We met the chief engineers who were responsible for the building operations at all three Wilderness properties and introduced the Focus on Energy program to them. These properties encompass more than 600 luxury suites/condominiums, three waterpark resorts, and countless restaurants and banquet facilities. From this initial meeting, the Wilderness Resorts and Focus on Energy have worked together on energy efficiency projects for the past three years.

Some of the projects that Wilderness Resorts implemented with the help of Focus on Energy technical and financial assistance are: guestroom energy management controls in their hotel guest rooms, compact fluorescent lighting in every room, destratification fans in their waterparks, linear fluorescent retrofits replacing metal halide fixtures in their waterparks, installation of variable frequency drives on select pumps and fans in their HVAC systems, low flow showerheads and aerators in every bathroom, and water source heat pumps in their Glacier Canyon Lodge expansion project. Wilderness on the Lake Condominiums received the 2006 Focus on Energy Excellence in Energy Efficiency Award. Their maintenance staff has attended

Focus on Energy's Commercial Practical Energy Management course and the Smart Strategies for Hotels Training course to stay up to date on the Focus on Energy program offerings and best practices to implement at their properties. To date, Focus on Energy has helped the Wilderness Resorts save more than 2.2 million kWh, 58,000 therms, and 650 peak kW annually.

Dos Gringos

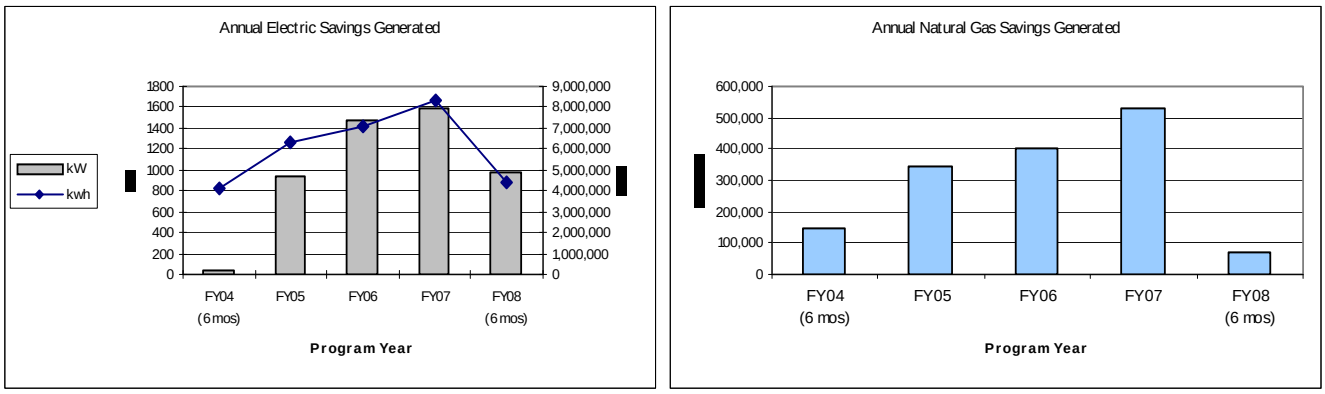
Dos Gringos Mexican Restaurant is an independently owned restaurant in Beaver Dam, Wisconsin. After a renovation of the restaurant's kitchen, Scott Eberle, the establishment's owner, noticed an increase in his business's energy bills. He contacted Focus on Energy's Hospitality team in search of a solution to reduce the energy consumption of his business. In discussions with his energy advisor about potential areas of improvement, the program introduced Mr. Eberle to the option of variable ventilation control for his new exhaust hood.

In June 2006, the new controls were installed on the restaurant's exhaust hood. The installation cut fan speed by 45 percent and was estimated to save the customer almost 1,800 therms and almost 8,000 kWh annually. Mr. Eberle noticed a savings on his utility bills of almost $4,000 a year as well as a more comfortable work environment. He was so pleased with his experience with this technology and saw great potential its application offered his peers in the restaurant industry; he became a regional sales representative for this technology.

Conclusion

Focus on Energy's market based approach to achieving energy savings in the hospitality market has been increasingly successful. Since its inception, the market initiative has increased the number of lodging properties engaged in program opportunities from 43 to 384 and the number of engaged restaurants from 157 to 1186. The team approach increased average annual energy savings in these markets by at least 580%. Besides the increased impact Focus on Energy has had overall on this market segment, the savings generated per customer has increased 55% for natural gas and 146% for electric projects with the hospitality market initiative. The annual energy savings generated has increased since the first year of the initiative's existence.

Generated Energy Savings of the Market-based Approach in Hospitality



A historical perspective to energy savings resulting from efforts within the hospitality market.

Our interdisciplinary team approach played an instrumental role in the success of this initiative. Team members worked together to learn about the market and share information from many different perspectives. With each individual having responsibilities for specific elements of the evolving program, all members were more invested in the savings outcomes. The team learned from observations and experiences in the field to adjust the offerings for continued success. Important to its growth and sustained success are the team's ability to identify new initiatives and partnerships to successfully reach more customers and help them implement projects. One example of a new approach is the GREM direct install program which launched in the first quarter of 2008. This initiative will also offer installation of bathroom vanity lighting controls, compact fluorescent lights, vending machine controls and high efficiency showerheads and aerators to obtain incremental savings. This effort is expected to contribute at least a quarter of the savings needed for this year's program goals. Additional considerations for future initiatives incorporate ozone laundry, lighting initiatives to eliminate all existing T12 lighting, special bundling offers for customers who complete both guestroom control installations and either compact fluorescents or showerheads and aerators on their own and promotional offerings through allied market providers.

National partnerships with ENERGY STAR, CEE and the Food Service Technology Center have played important roles in validating our efforts and providing valuable information and resources for improving our offerings. Beyond the great exchange of ideas and information that these partnerships brought to the team, these affiliations have also brought invaluable name recognition and credibility within the market. Customers and market providers are more and more aware of the national players and have been more willing to work with the program as a result.

Locally, partnerships are important from a grassroots level to more directly reach our target customers. The market providers, from GREM to food service, continually help advance our programs efforts. Programs that, such as Travel Green Wisconsin, work with many of the same customers our program targets on related issues help create more awareness of Focus on Energy and its offerings. Long recognized as important, a more persistent effort to coordinate and partner with the state trade associations for this market is needed. To get around current barriers, the team must also continue to seek out additional avenues to outreach to the markets outside of the associations.

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