

Green Mountain Power

Equipment Replacement & Remodeling

Green Mountain Power began its Equipment Replacement and Remodeling (ERAR) program at the end of 1991 in conjunction with the launch of seven other new DSM programs all developed within a collaborative process between the utility, its regulators, and interveners. The program's replacement component is designed to allow customers to replace equipment at the end of its useful life with new energy efficient equipment at zero marginal cost. The remodeling component, which includes a technical assistance aspect, is specifically targeted at national accounts such as hotel and restaurant chains, to allow facility upgrades during periodic renovation cycles.

One of the most intriguing aspects of the program is that it is run in a utility context characterized by a large reserve margin, nearly 40%, and by the lowest retail rates of any major utility in New England. Thus the program is intended to leverage savings at low cost and this is why the replacement and remodelling aspect of the program is so important. At these times, the utility only has to pay the marginal cost of efficiency upgrades, allowing it to stretch its dollars and leverage maximum savings at the least possible cost. GMP has been very pleased with its program to date, as savings have outstripped projections and costs have been less than projections!

The ERAR program is distinctly different from GMP's Large C&I Retrofit program that is designed to replace functioning equipment with more energy-efficient equipment. However, GMP has attempted to link these programs by ensuring that all participants in the Large C&I retrofit program are informed of the ERAR program. In fact, the utility's Large C&I Retrofit program provides labels for the installed technology containing information on the ERAR program. GMP believes that this linkage will allow efficient technologies installed under the retrofit umbrella to eventually be replaced with other efficient technologies, maintaining persistence of savings for the customer and the utility.

Finally, both GMP and the Vermont Public Service Board recognize that incentives for replacing efficient equipment cannot be provided indefinitely as the market for these technologies will likely change in response to the current incentives. Thus without changes, the program could experience high levels of free ridership. However, both the utility and the Board feel that the current market for efficient technologies needs stimulation and that the utility can provide this valuable service. An evaluation of the effects of the ERAR program on the market is due in 1994, and the program will be adjusted accordingly, possibly by ratcheting up the minimum efficiency requirements of eligible technologies to reflect market conditions.

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GREEN MOUNTAIN POWER Equipment Replacement & Remodeling

Sector: Commercial and Industrial

Measures: Lighting and motor applications; also space conditioning, refrigeration, and industrial process improvements on a customized basis

Mechanism: Incentives to replace equipment at end of useful life or failure, or to retrofit for efficiency during normal cycle of remodelling

History: Started in winter 1991

1992 Program Data

Energy savings:	1,051 MWh
Lifecycle energy savings:	14,714 MWh
Capacity savings:	0.37 MW
Cost:	\$359,900

Cumulative Data (1991 - 1992)

Energy savings:	1,059 MWh
Lifecycle energy savings:	14,745.5 MWh
Capacity savings:	0.37 MW
Cost:	\$508,900

The Results Center produced 126 profiles of the most successful energy efficiency and renewable energy programs in the United States and around the world in the early and mid 1990s. With the support of the John D. and Catherine T. MacArthur Foundation, Ted Flanigan directed a research team at Colorado-based IRT Environment to produce and distribute these exceptional examples. Thanks to strong demand for solid case studies, The Results Center was supported by dozens of major utilities and energy associations worldwide. Today, The Results Center is managed again by Ted Flanigan, now at California-based EcoMotion Incorporated, a firm focused on strategic consulting, information dissemination, program design, outreach services, and aggressive implementation. To nominate highly successful programs, contact: The Results Center, c/o EcoMotion, 15375 Barranca Parkway, F-104, Irvine, CA 92618, (949) 450-7155, or TFlanigan@EcoMotion.us