

Newmarket's Lighting Retrofit Powered by OPA-sponsored program for small businesses

The goal for the number of installations completed by the end of 2008 was set at 104. Then the program got going. Then the local business community took notice. And that's what put Newmarket Hydro on track to blow through the target and rack up 175 installations in 2008.

When Newmarket Hydro began its energy-saving upgrades of lighting fixtures for small businesses in Newmarket's downtown core this past August, it was confidently optimistic that it would reach its objective. The goal was established by the Ontario Power Authority (OPA) under the terms of its *Power Savings Blitz* program, administered locally by Newmarket Hydro, through which eligible small businesses can receive up to \$1,000 in free energy-efficient lighting retrofits. But the response from small business customers has been nothing short of outstanding with demand for the program exceeding all expectations. Hence, the utility's expectation of beating its target by more than 68 per cent when it completes its one-hundred-and-seventy-fifth installation before the end of 2008.

were compelling benefits for our customers and for our community in getting started as soon as possible and launching a full-scale implementation."

Something for small retail and commercial customers

"We also recognized that this program targeted the smaller retail and commercial sector, a segment of our customer base that isn't often the focus of conservation offerings," says Larry Herod, Newmarket Hydro's director of distribution services. "It's relatively simple for our contractors to retrofit that old four-tube fluorescent fixture found in so many retail locations with a new ballast and replace the old tubes with two energy-saving ones that deliver improved lighting."

Although lighting may not be a large operating cost for many small businesses, the total amount of electricity used for lights in this sector "is significant" across Newmarket Hydro's service area. Given the power constraints facing all the communities in northern York Region, it makes sense to promote this program to Newmarket businesses.

Communicating to open the door

So why has the customer uptake on this program been so strong? Even though the OPA-sponsored *Power Savings Blitz* offers real benefits, at least some of the program's success in Newmarket must be attributed to its communication outreach.

As soon as the business area to be "blitzed" was identified, the head of the local business improvement area (BIA) was briefed on the program and invited to help communicate it to BIA members. Recognizing that small business operators have many demands on their time during operating hours, it was felt that the initial approach should be simply an introductory letter from the utility.

Hand-delivered to prospective participants several weeks in advance of on-site consultations, the letter announced the energy-efficiency upgrades in a deliberately understated and "non-salesy" tone, making two additional points: there was "absolutely no cost" to the business and "no obligation to participate."

Lisa Thomas, chair of the Newmarket Main Street District BIA, also wrote a letter to BIA members endorsing the program, further enhancing its credibility and helping to ease the way of the utility's representatives. The effect of the advanced communications was to facilitate the on-site consultations and assessments (participants now had some understanding of the program) and minimize the time for business operator and assessor to complete the site evaluation and the resulting work order.



Expectations have been exceeded with the enrolment of 175 of Newmarket's eligible small businesses taking advantage of the Power Savings Blitz program. (Photo courtesy of Newmarket Hydro)

Getting started

The first phase of the program in Newmarket made use of a low-key "pre-contact" communications strategy to introduce the campaign and present the benefits of energy-efficiency upgrades of lighting systems to eligible small general service customers. The older fluorescent tube lights typically found in stores and businesses are much less efficient than newer lighting technology. These fixtures can often be retrofitted with new electronic ballasts and energy-conserving tubes that use about one-third less electricity.

"Of course, we knew that we were dealing with a new program and that maybe we didn't have all the details worked out yet," says Paul Ferguson, president of Newmarket Hydro. "But we felt there

Customer Demand exceeding all expectations

Rounding out the communications strategy, a press release was issued and a media outreach was initiated resulting in favourable coverage in two local newspapers. The local BIA also carried an item on the program in its newsletter.

Assessments, work orders, and appointments

When the utility's assessor visited sites, it was obvious the "pre-contact" communications strategy had worked. In relatively short order, assessments were completed, and work orders were signed. Matched up with material lists, work orders were grouped to allow contractors to do multiple installations in close proximity to each other. Once appointments were made with the participating businesses, contractors rolled out and the upgrades began. "We're pleased that so many of our small general service customers qualify under this program," says Larry Herod. Although up to \$1,000 in energy-efficiency upgrades is available per qualifying business, the average installation is costing about \$900 in Newmarket. That cost typically covers the retrofit of between twelve to fifteen fixtures depending on the type.

"That \$1,000 OPA threshold has been sufficient for about 90 per cent of our customers in this first phase of our roll-out," says Herod. Some customers have chosen to retrofit more fixtures than are covered under the program simply by agreeing to pay the incremental additional costs themselves.

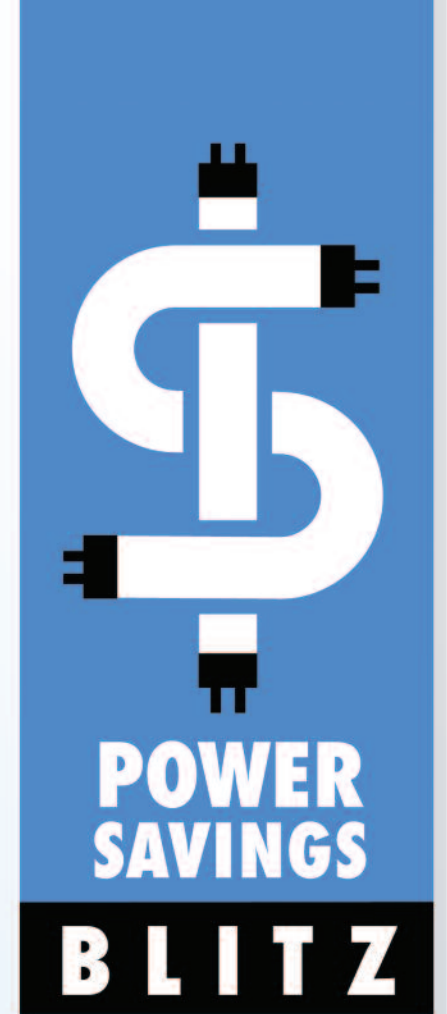
Perception of benefits

Because the program began so recently, Newmarket Hydro does not yet have data on actual energy savings realized.

But customer appreciation of the benefits is clear. There are cost savings on power because of the energy efficiency of the newer lighting technology. The retrofitted fixtures provide improved lighting. Some customers have avoided replacement costs on old equipment that was nearing the end of its life. All program participants are covered under a two-year warranty for the new equipment installed. All the old equipment removed is disposed of in an environmentally responsible manner.

There is further evidence of the strong perception of value by customers, adds Larry Herod. What is he hearing from those customers who've heard about the program but not yet been through it? "When are you coming to my area?" ■

Newmarket Hydro is an operating division of Newmarket-Tay Power Distribution Ltd. The utility is responsible for servicing over 30,000 residential and business customers in Newmarket as well as in the communities that make up the Township of Tay on the southern shores of Georgian Bay.



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