

*Small Commercial  
Exemplary Program*

***Small Business Services Program  
National Grid***

**PROGRAM OVERVIEW**

Since 1990, National Grid has provided direct retrofit installation of energy-efficient lighting and other electric energy saving measures to small commercial and industrial customers. Customers with an average monthly demand of less than 100 kW, or annual energy usage of less than 300,000 kWh, are eligible for the Small Business Services Program. National Grid pays for 75–80 percent of the total project costs, and customers may finance the remainder for up to 24 months interest-free.

The small business customers targeted by this program tend to have a significant lighting load (as a percentage of total load) and a historical reluctance or inability to fund efficiency improvements. In addition, the customers' small size tends to exclude them as potential beneficiaries of services from other energy service providers.

The program targets lighting, water heating, and refrigeration. Some of the available technologies generally offered through the program include: energy-efficient fluorescent ballasts, lamps, and fixtures; hard-wired and screw-in compact fluorescent systems; high-intensity discharge systems; occupancy sensors; light-emitting-diode (LED) retrofit kits; programmable thermostats; hot water tank insulation wraps; and fan and door heater control devices for walk-in coolers as well as night setbacks for novelty coolers. Over its life, the Small Business Services Program has kept pace with changes in efficient lighting technologies and introduced new energy-efficient non-lighting measures. As an example of the latter, National Grid is piloting a service in 2003 aimed at enhancing air conditioning operations and performance. The service includes training of contractors to perform adjustments to HVAC equipment and combines in-field technician training, computer diagnostics, and immediate test verification and feedback to promote better practices with small commercial customers' air conditioning systems.

The program is delivered through a number of delivery contractors hired through a competitive bidding process (historically no more than three contractors are engaged in the program). The contractors market the program primarily through telemarketing and direct mail as well as leads that are referred by National Grid.

The vendors market the program, perform audits at customers' facilities, make recommendations to customers, complete audit forms and questionnaires, purchase materials from a supplier selected through a competitive bid process by the company, install measures, input data into a database, and prepare progress reports for the company on a regular basis. The company program manager manages the vendors' activities and provides technical expertise. A separate vendor handles services for recycling ballasts and lamps for proper disposal.

National Grid expects that this program will provide a valuable service to small businesses for the foreseeable future.

## **PROGRAM PERFORMANCE**

The Small Business Services program has been very successful.

- Since 1989, almost 35,000 small businesses have received this program.
- Approximately 33 percent of the eligible customers have had measures installed.
- The program has saved over 2.5 million MWh and 65,700 kW since 1989.

## **LESSONS LEARNED**

- National Grid's Small Business Services program has been innovative in its ability to progress with changes in technology as mentioned previously. The program has also had to address changes in the target market as the market of easier-to-reach large customers has become saturated over time. In recent years, National Grid and its contractors aggressively pursued the hardest-to-reach constituents through innovative marketing and technology offerings such as emphasis on refrigeration measures. The combination of successful marketing techniques to include a direct response campaign and delivery of quality turnkey installation services supports the results achieved to date.
- Another feature that small business customers find attractive under the Small Business Services Program is the ability to finance their portion of the costs on their monthly utility bill. This provides them an easy mechanism over 24 months to pay off their share of the costs.

## PROGRAM AT A GLANCE

**Program Name:** Small Business Services Program

**Program Start Date:** 1990

### Program Participants

2002: 1,676

Cumulative total (1990–2002): 34,633

**Eligible Population or Customer Segment:**  
Approximately 77,000

**Participation Rate:** About 33% of the eligible customers have had measures installed.

### Annual Energy Savings Achieved

2002: 13,648 MWh

1990–2002 cumulative: 2,593,347 MWh

### Peak Demand (Summer) Savings Achieved

2000: approximately 4,500 kW gross

Life: approximately 65,700 kW (through 2000)

### Budget

Year	Utility Costs	Customer Costs	Total Costs
2001	\$1,483,004.41	\$5,481,399.32	\$6,964,403.73
2002	\$993,950.58	\$3,728,371.34	\$4,722,321.92
2003	NA	NA	NA

**Funding Source:** Systems benefit charge

### Best Person to Contact for Information about the Program

- Tom Coughlin, Senior Analyst
- Phone: 508-421-7239
- Fax: 508-421-7245
- Email: [thomas.coughlin@us.ngrid.com](mailto:thomas.coughlin@us.ngrid.com)
- Postal address: National Grid USA Service Co., 55 Bearfoot Rd., Northboro, MA 01532-1555
- URL (program overview with links to individual operating companies and their programs):  
[http://www.nationalgrid.com/usa/environment/energy\\_efficiency/index.shtml](http://www.nationalgrid.com/usa/environment/energy_efficiency/index.shtml)