



Service & Product Provider Partner

Think Energy Management, LLC

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Customer

HEI Hospitality LLC

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Business: Hotel owner/management
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Energy efficiency lighting reduces utility bills by over \$1 million / year for hotel owner.

Project Scope

Think Energy Management, LLC was hired by HEI Hospitality to develop an enterprise-wide energy management program to reduce its \$15 million annual utility costs. Investment grade lighting audits provided the financial data for senior management to understand and elevate its energy management opportunities.

Project Summary

The starting point was organizing HEI's annual utility cost spending, benchmarking its utility costs and establishing priorities. The resulting lighting retrofit projects upgraded existing lighting, reduced utility costs, reduced maintenance costs and provided a fantastic return on investment. ENERGY STAR award winner, General Electric, and other national lighting contractors implemented the lighting projects. Think Energy and HEI took advantage of the energy efficiency tools from ENERGY STAR and demand-side management (DSM) rebate programs to further maximize the project's energy savings.

• Energy Savings

Annual energy savings of 18,000,000 kWh or 115kBtu/ft², equivalent to \$1,089,500, were achieved.

• Investment

HEI Hospitality invested \$2,300,000 and has minimum recurring costs (replacement lamps).

• Financial Return

Simple payback was achieved in less than 2.5 years. A 40% ROI and positive net present value (NPV) contributed to improved shareholder value. Improved cash flow from lower utility costs also increased the hotels' asset values.

• Other Benefits

The installation of new long life lamps and ballasts reduced maintenance costs. Hotel guest satisfaction improved due to better lighting and fewer burned out lamps. Over the project's 20 year lifetime, it should save 360 million kWh and eliminate 257,400 tons of CO₂ pollution.

Monitoring & Verifying Energy Savings

Think Energy provided detailed spreadsheets for each hotel to track the kWh and kW savings for each electricity meter each month, and a utility energy database was created to track electricity, natural gas, other fuels and water/sewer accounts. The Measurement & Verification (M&V) service provided was equal to an energy savings performance contracting (ESPC) project following national and international M&V protocols.

Distinguishing Value

The lighting retrofits are only one part of an aggressive enterprise-wide energy management program designed to actively manage HEI annual energy expenses. Properties are identified for demand-side energy management projects through active benchmarking of utility costs. The energy database is scheduled to be electronically linked to the ENERGY STAR benchmarking tool to streamline benchmarking activities and identify facilities that qualify for ENERGY STAR building status. In addition, a best practice has been established such that future lighting, HVAC and application purchases will all have the ENERGY STAR label.