

LARGE COMMERCIAL AND INDUSTRIAL PROGRAM



PROGRAM SUMMARY¹

Participants:	Commercial and industrial customers with a peak demand higher than 100 kW for either existing buildings or new construction are eligible.
Customers are incentivized to:	Pursue multiple energy efficiency measures including adjusting lighting controls, upgrading HVAC equipment, and installing building automation equipment.
Incentive structure:	Four tiers of financial incentives, increasing with every 30 MWh saved
Support provided to customers:	Frequent training empowers program implementers to facilitate and build relationships between customers and Entergy Arkansas in order to support long-term participation and investments in energy efficiency.
Impact:	Every dollar spent in the program results in 4.6 kWh savings for Entergy Arkansas customers.

Entergy Arkansas's Large Commercial and Industrial Program² offers comprehensive technical support alongside tiered financial incentives to reward customers that pursue multiple energy efficiency measures, including across different building systems, for both existing buildings and new construction. Commercial and industrial customers within Entergy Arkansas's service territory, which encompasses 63 counties in Arkansas,³ with a peak demand more than 100 kW are eligible.

Since 2015, the program consistently has achieved more than 90,000 MWh of energy savings annually. In 2017 alone, the program achieved more than 98,000 MWh of energy savings and 12 MW of peak

¹ All data are current as of 2017.

² Entergy Arkansas (2020), [Large Commercial & Industrial Program](#)

³ Entergy Arkansas (2020), [About Entergy Arkansas](#)

demand savings, which is more than a third of the total energy savings and 10% of the total peak demand savings across all 14 energy efficiency programs at Entergy Arkansas.

INCENTIVES

A tiered incentive structure provides greater rewards for more comprehensive efficiency solutions.

The program places a focus on energy savings and offers flexibility in the means of achieving those savings. The more a customer invests in energy efficiency measures through the Large C&I Program, the more financial support it receives through the tiered incentive rate structure, detailed below.

Table 1. Entergy Arkansas's Large C&I Program Incentive Rates

Number of Measures	1	2	3	4+
For Program Eligible Measure Categories (per kWh)	\$0.14	\$0.15	\$0.16	\$0.18

Tiers of Qualifying Criteria. To qualify for the first tier of \$0.14/kWh, a participant must achieve at least 30 MWh through its energy efficiency measures. A participant qualifies for an additional tier every 30 MWh of deemed savings or measured and verified savings; for example, to qualify for the second tier of \$0.15/kWh, a participant must achieve at least 60 MWh through its energy efficiency measures, and so on. Customers pursuing both prescriptive and custom projects are eligible to apply for these incentives.

Benefits for Customers. The tiered incentive structure is designed to motivate customers to pursue comprehensive projects that might otherwise be under-incentivized:

- ✔ The tiered incentive structure allows customers to look beyond savings gained from upgrading a single type of equipment or system, and instead consider the greater cost savings available from upgrading multiple components within a building system or multiple systems.
- ✔ The diversity of program-eligible categories encourages customers to invest in systems-level measures ranging from adjustments to lighting controls, to HVAC equipment upgrades, to building automation and strategic energy management.⁴
- ✔ The window of opportunity to apply for higher tiers of incentives sometimes extends beyond the typical 12-month program year to accommodate larger projects.
- ✔ Any measures taken beyond the four tiers that would have qualified the customer for additional incentives can be leveraged against other projects in the following program year.

Takeaways. This holistic and customizable approach provides significant value to customers. For instance, despite lower participation, just the lighting-specific energy efficiency measures taken through the Large C&I Program (ranging from controls adjustments to equipment upgrades) achieved over five times the energy savings of Entergy Arkansas's Commercial Midstream Lighting program, which is geared toward lighting equipment upgrades.

⁴ Program-eligible measure categories include: lighting and on/off controls; advanced lighting controls; comfort cooling HVAC/chiller replacement; motor replacement; building automation controls and retrocommissioning; motor drive or variable frequency drive upgrades; computer power management; commercial refrigeration upgrades; direct install; behavioral savings, strategic energy management; industrial controls and/or compressed air system controls; industrial pump/fan upgrades; injection molding system upgrades; industrial heating; industrial cooling; other industrial process upgrades; compressed air upgrades; other measurable and verifiable upgrades.

CUSTOMER SUPPORT

Program staff help customers navigate and maximize the program's benefits and encourage collaboration with energy service companies to provide additional support.

While the flexibility of this program encourages a nuanced approach that can achieve greater savings through systems-level solutions, the increased level of complexity needed to go beyond simple equipment upgrades often requires expertise beyond a typical customer's experience. The hands-on guidance provided by Entergy Arkansas's energy efficiency engineering resources supports customers in navigating the options available to achieve greater energy savings.

- ✔ Entergy Arkansas provides assistance to Large C&I customers in developing a tailored energy savings plan.
- ✔ The energy efficiency engineers also work with a suite of energy service companies called "trade allies."
- ✔ The customer contracts with a trade ally to perform a comprehensive energy audit, follow up with guidance on energy efficiency measures, and integrate the benefits of the Large C&I Program into its recommendations.

Takeaways. While the auditing format is typical of many energy service companies' interactions with clients, what makes the trade allies stand out is their close collaboration with Entergy Arkansas program resources. Entergy Arkansas's implementing contractor continually trains the trade allies to not only provide comprehensive energy savings analyses, but to optimize the customers' cost savings and payback periods by leveraging the tiered incentive structure of the program. Prepared with knowledge of the full offerings of the Large C&I Program, some trade allies even refer their customers to other trade allies with expertise on different systems when they identify opportunities for efficiency improvements outside their typical scope. The program fosters motivation for deploying as many energy efficiency measures as possible, even through multiple trade allies, to achieve maximum energy and cost savings.

BEST PRACTICES

A key to the continued success of the program has been fostering relationships: leveraging trade allies to help communicate program benefits to customers while keeping connections active with existing participants to encourage continued investments in energy efficiency.

The popularity of the Large C&I Program is driven in part by the trade allies' relationships with customers.

- ✔ About 29% of program participants surveyed report that they learned about the program through a contractor or vendor.
- ✔ Entergy Arkansas not only provides training to trade allies to ensure they can effectively communicate the benefits of the program to customers, it also collects testimonials from program participants for trade allies to use as marketing case studies.
- ✔ Further, Entergy Arkansas offers co-branding with trade allies to build customers' confidence that their trade ally can successfully navigate them through the program.

"There's always another opportunity when you already have your foot in the door."

- Gabe Munoz, Energy Efficiency Manager at Entergy Arkansas

Takeaways. The Large C&I Program provides impetus for trade allies to encourage customers to implement thorough energy efficiency measures, i.e., those that integrate multiple and systems-level strategies, because more comprehensive solutions engender more incentives in the program. In addition, customers can continue to participate in the program for multiple years, which increases the likelihood that a customer will build upon an established relationship with a trade ally to pursue additional energy savings in subsequent years.

LOOKING FORWARD

Entergy Arkansas continually strives to increase awareness of program benefits and to increase participation.

The Large C&I Program is one of 14 portfolio energy efficiency programs offered by Entergy Arkansas. Prior to 2014, large commercial and industrial customers were bucketed into two separate programs, but Entergy Arkansas found that combining the two programs to follow the same methodology and criteria significantly streamlined program coordination.

Currently, the Large C&I Program is the utility's most heavily invested program and consistently provides the most savings of all its programs. More than 90% of participants surveyed report that they are "satisfied" with the program, more than 50% report that they are "very satisfied", and more than 90% report experiencing no obstacles or barriers in completing the program.

Nevertheless, there is always opportunity for growth to reach new customers and to encourage existing participants to join the program again. Entergy Arkansas continually aims to increase participation in the program, including through the following activities:

- ✔ Inviting prospective participants to program education workshops
- ✔ Training trade allies on targeting new customers
- ✔ Recruiting and training new trade allies that emerge as new technologies take shape or as shifts in the market occur
- ✔ Training region-assigned project managers to develop market familiarity and trust among customers
- ✔ Reaching out to customers after projects are completed to survey their experience, and sharing their experiences with prospective participants

"One of the main constraints is always capital, and getting incentives has definitely helped us during the planning phase on several projects to purchase more efficient equipment. One of the things that has been very helpful in the past has been the continued follow-up with the facility that Entergy Arkansas has provided, and the maintenance of a project list to keep focus on areas of opportunity that we need to be working on for future projects."

- Clay Carter, Environmental, Health, and Safety Specialist, ConAgra

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