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Efficiency Vermont serves as a model of energy savings

By Dan D'Ambrosio, Free Press Staff Writer

Beth Sachs and Blair Hamilton are energy nomads.

"From 1972 up until 1986, we were bouncing around a lot," Sachs said last week in the rambling South Champlain Street offices of the Vermont Energy Investment Corp., the energy efficiency consultancy the couple founded in 1986.

Starting at McGill University in Montreal, where Hamilton earned a master's degree in architecture and Sachs was doing research into solar power, the couple migrated to Butte, Mont., where they went to work for the National Center for Appropriate Technology, a nonprofit that works on energy issues. From there it was on to California to work for a company making solar film.

And finally came the move to Newport, in 1979 to establish their own consulting firm. The couple wanted to make a real impact in the relatively new field of energy efficiency. They located in Newport to be close to Canadian friends, with whom they worked to form the improbably named Memphremagog Group, after the lake that straddles the Vermont-Quebec border.

After leaving Memphremagog, Sachs and Hamilton moved to Burlington in 1986 to start Vermont Energy Investment Corp., a name chosen to impress.

"We gave it a very grand name for an organization of two people," Sachs said. "We wanted it to sound like a bank."

From its start as a two-person shop, VEIC today is a \$60 million company with nearly 200 employees, consulting with businesses and governments around the country and the world on energy issues. Its crown jewel is Efficiency Vermont, the state's energy efficiency "utility" that has been emulated in Ohio, New Brunswick, Nova Scotia and elsewhere, and has made Vermont a leader in finding ways to stretch power further, increasing supply in effect by decreasing demand.

Last week, Sherry Thomson, vice-president of New Brunswick Power, a provincial utility, and Lesley Rogers, vice-president of Efficiency New Brunswick — established by the provincial government in 2005 — were in the VEIC offices to meet with Hamilton and other staffers.

"What we're doing here is we're reducing consumption, we want to avoid building new generation," Thomson said. "We're here today to absorb as much general knowledge as we can take from them."

Hamilton has always been "exceptionally generous" sharing his guidance, Rogers said, starting with the initial stages of Efficiency New Brunswick when the Canadians looked south for a model — Efficiency Vermont.

"We have a rule of thumb that has held true for a long time," Hamilton said. "When we meet our energy needs by buying supply, what happens to the money? More or less, 80 percent leaves the state. If we spend the same dollar to do efficiency instead to get the same result, 80 percent stays in the local economy because what you're doing is fairly labor intensive — putting in insulation, replacing furnaces."

Efficiency Vermont has worked with more than 500 homeowners in the state this year, connecting them with one of about 50 certified contractors around the state — vetted by EV — who are qualified to assess their homes and recommend cost-effective changes to save energy. Next year, EV has set a

goal of working with 950 homeowners.

“People are taking advantage of the program in increasing numbers,” Hamilton said.

Right now, Efficiency Vermont is offering a rebate of up to 25 percent of the cost of energy efficiency improvements made by homeowners, to a maximum of \$2,500. Hamilton said the incentive will be offered as long as EV can afford it. With up to 100,000 homes in the state that could benefit from an efficiency makeover, there certainly is the possibility the well will run dry.

Efficiency Vermont, established by the legislature in 2000, is mostly funded by a surcharge on electric ratepayers. VEIC won the contract to operate the program in a competitive bidding process. They’ve done such a remarkable job, says Public Service Commissioner David O’Brien, that the state might suspend the three-year bidding cycle for the work.

“We’ve been going through a lengthy process to convert them from a contracting agency to more of a traditional utility model,” O’Brien said. “Given how long they’ve performed the function and the knowledge and relationships they’ve developed, the likelihood of there being another provider is fairly thin, so they’re approaching the role of a traditional monopoly. For that reason, we need to look at them more as a traditional utility, and that’s fine with me.”

In addition to its work with homeowners, Efficiency Vermont works with businesses, and has become a go-to consultant for executives thinking of building new operations or expanding their existing ones, said David Weaver, account executive at TelJet Longhaul, a Burlington company offering data back-up services to businesses. When the company expanded its facility recently, putting in racks of new servers to handle massive amounts of data, one of the first calls it made was to Efficiency Vermont to find out how to make the expansion as energy efficient as possible.

“The biggest bang for the buck comes from working with a business designing new spaces to take advantage of what’s available before they start hammering nails,” said Sandra Levine, senior attorney at the Conservation Law Foundation in Montpelier who has worked with both Efficiency Vermont and VEIC.

Levine said the organization combines a ability to work on a wide range of projects with businesses, making machinery more energy efficient, for example, with the work it does with homeowners, as well as with transportation issues and policy.

“That’s unique, their ability to knit those pieces together and understand the very positive role efficiency can play for our communities,” Levine said.

Two and a half years ago, Sachs and Hamilton decided to step back from running the day-to-day operations of their company and hired Scott Johnstone as executive director. Johnstone had experience with big staffs and big budgets, starting as a civil engineer in Maine, moving on to public works management, eventually becoming director of public works in Burlington and also running the state Agency of Natural Resources for five years.

“I had to learn everything on the job, how to run an organization, and never dreamed I’d be running an organization of 165 people,” Sachs said. “For a lot of reasons, I was ready not to do that any more. I was ready for someone with experience to draw on to take it to the next level.”

The next level may be just around the corner. Johnstone said VEIC is close to signing a contract to run an energy efficiency program for a major metropolitan area — building on its work from a newly opened office in Columbus, Ohio, with a consortium of about 130 utilities in the Midwest — that will bring the organization recognition beyond what it has already achieved.

Johnstone said once VEIC shows its methods work in a big city, no one will be able to claim Efficiency Vermont works only because it’s in a small state filled with tree-huggers.

“There will be little left to argue about from our perspective,” Johnstone said. “It can be done anywhere.”

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