



Spring 2011



POWER PARTNERS

Providing Powerful Solutions For Business & Industry

NEWS



Mike Allmand

President and CEO

mallmand@ripleypower.com
731-635-2323

President's Message

Effective April 1, TVA implemented a new seasonal rate structure for commercial and industrial customers. The new rates reflect the changing cost of generating electricity during different seasons and provide opportunities for savings by reducing peak power demand.

Demand charges will be slightly more in the summer months. Under the rate structure, summer months are considered to be June through September. Winter months are considered to be December through March. The remaining months are considered to be transitional months.

If your usage pattern has no change, the new seasonal rates will likely result in slightly higher costs in the summer months than during the winter and transitional months. However, the seasonal rate change is not designed to create additional revenue for TVA or Ripley Power

and Light Company. Instead, the seasonal rate change is designed to encourage shifting of demand from high peak times to lower demand times.

If you are able to lower your power usage in the summer months, the effect of the new seasonal rates could be neutral for your company. This change from a flat rate structure is expected to result in slightly higher utility costs in the peak summer months and slightly lower utility costs in the other months of the year. Generally, the difference in rate is 5-7% from peak season to off peak season.

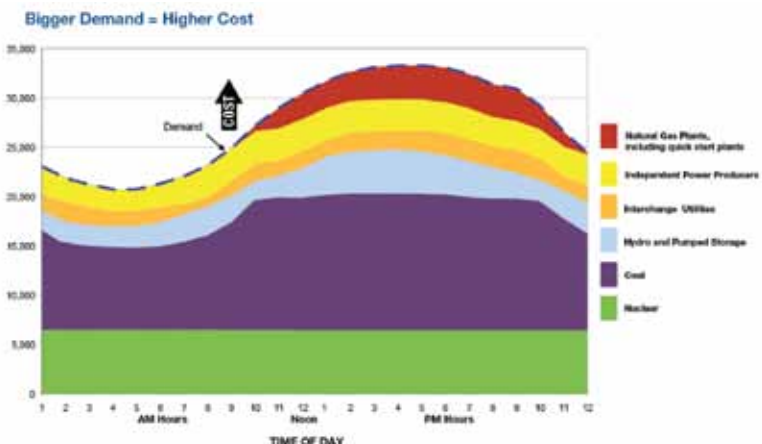
Over time, peak demand has been growing faster than everyday power requirements. Quick start generators and purchased electricity are typically used to meet peak demand. By far, they are the most expensive sources of power. The chart below shows the mix of generation sources needed to supply power on a hot summer day.

Finding and implementing ways to lower peak demand will reduce the need for expensive new power plants and help to keep cost low for all customers.

In this issue of *Power Partners*, we focus on ways to help you find savings during the coming summer months. The Major Industrial Program offers incentives for a variety of efficiency measures that reduce demand during TVA's peak times. For customers with lower demand, the Energy Right program provides incentives for HVAC and lighting upgrades that reduce kW usage. The latest information on each of these programs is available on pages 2 and 3.

As always, Ripley Power and Light is here to help. Call or email me if you have questions or concerns about your electric usage.

TVA SYSTEM DEMAND—PEAK MONTHS



FOCUS ON SUCCESS

Incentives + Savings... Add Up For Marvin Windows and Doors

Last fall, Marvin Windows and Doors of Tennessee began taking advantage of incentives offered by Ripley Power and Light Company to make energy-efficiency improvements at the plant.

So far, the Ripley company has earned more than \$22,000 in incentive payments for replacing inefficient T12 fluorescent fixtures and metal halide fixtures throughout the plant with energy-efficient T8 high output fixtures. The plant also should experience an estimated \$65,000 in energy savings.

"The improvements came through a series of three projects, which the company phased in over the past six months," said Walker Harmer, Facilities Environmental Engineer at Marvin Windows and Doors of Tennessee, who oversaw the improvement projects. "We worked with both Ripley Power and Light and RPM Lighting from Dyersburg on the projects."

The first of the three projects reduced the base load used by the plant by 10.7 kilowatts and will save approximately 84,388 kilowatt hours annually. The second phase of improvements resulted in a base load reduction of 26.6 kilowatts and a savings of about 159,000 kilowatt hours. The third phase reduced the base load by 66.7 kilowatts and will save nearly 416,154 kilowatt hours annually.

The company received incentive payments from TVA's energy right program of \$13,300, \$6,400 and \$2,900 as it completed each of the projects.

Harmer sees no reason why companies shouldn't take advantage of the energy-efficiency incentives offered by Ripley Power and Light and other local utility companies through their partnership with TVA. Besides saving Marvin Windows and Doors money, the projects also are helping to reduce the load on TVA's electric

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Major Industrial Program Pays You to Reduce Energy Use

For industrial customers with a contract demand of 5 MW or greater, TVA's Major Industrial Program is designed to encourage reductions in electric energy intensity. This is a free source of technical expertise to help industries find and manage energy efficiency opportunities. TVA offers a lump-sum incentive of \$0.05 per kWh on first year savings or 50% of project cost, whichever is less, for the implementation of energy efficiency projects. Incentives are based on post implementation measurement results. The incentive is available for multiple projects that are bundled together to have a customer payback period of more than two years. Individual projects included in the bundle may have paybacks of less than two years as long as the combined payback for the total bundle is over two years. Participation is easy and TVA will guide you through it. For more information contact our office.

TVA Combines Two Popular Programs into EnergyRight Solutions for Business

EnergyRight Solutions for Business (ERSB) has replaced the Commercial Efficiency Advice and Incentives Program and TVA's Fast Cash program for small business and industry by combining the two programs into one, making it easier for customers to participate. ERSB is offered through local power companies in partnership with TVA. The program offers various levels of impartial energy assessments depending on the size, complexity and potential savings of the project. The less-detailed studies are free, but more complex study costs may be shared between the power distributor, customer and TVA. Cash rebates are also available on replacement of certain types of equipment. Those eligible are:

- Manufacturing customers with up to five MW of electrical contract demand
- All size commercial customers
- Small businesses
- Warehouses
- Schools
- Hospitals
- Government

There are two types of financial incentives available. The standard rebate is available for the replacement of lighting, HVAC, kitchen equipment and motors with more efficient models.

If the energy efficiency improvement is not listed on the standard rebate application, the project may qualify for a custom rebate incentive. An ERSB expert can work with your project manager, engineer, architect or installer to develop a custom incentive based upon the estimated amount of electricity to be saved. The current rate is \$0.05 / kWh reduced for the first year.

To get started in the Energy Right program, contact your local power company, go to www.energyright.com/commercial, or call 1-866-233-0450.



Valley Investment Initiative Helps Companies Grow in Our Communities

In support of our existing industries and as an incentive to help recruit new companies, TVA and distributors of TVA power are offering an economic development incentive program called the **Valley Investment Initiative (VII)**. The program has enjoyed great success with existing power customers since October 2009 and was expanded in 2010 for use as a recruitment tool to attract new customers, investments and jobs to Valley communities. VII rewards end-use power customers in targeted business sectors who make a long-term commitment to the economic development of the region.

The following are projected six-year economic impacts for the West Tennessee area from companies enrolling in the program during the period October 2009 through March 2011:

Jobs	Investment/Payroll
550 new	\$198 million investments
3,000 retained	\$719 million payroll

What kinds of products do companies who have participated in the VII program manufacture?

- Food products
- Plastics
- Metal products
- Chemicals
- Paper
- Electronics
- Transportation equipment
- Countless other products made in the TVA region

Qualifying criteria for participation in VII include:

- Minimum 250 kilowatt peak monthly demand
- Minimum 25 employees
- Minimum five-year capital investment of
 - 25 percent of an existing facility's plant book value, or
 - \$2.5 million in a new facility; and
- Standard power contract with a remaining term at least as long as the five-year VII incentive period.

Bottom Line: We realize the importance of recruiting new investments and retaining and strengthening existing industries' competitive position so that they can keep jobs in our local communities. That's why we offer the VII program and are proud of its success.

If you think your company may qualify for an award, obtain more information at TVAed.com/VII.



WTIA InFrastructure Updates

When we talk to industry about why they should expand or locate their plant in West Tennessee, we generally end up talking about our assets and infrastructure. One of the newest assets on the horizon is the new Port at Cates Landing in Lake County. When port construction is completed and industry has the opportunity to invest there, hundreds of new jobs and millions in business revenue will be created. Federal, state and local investments have been committed to make this one of the largest economic development engines in the region. Construction is scheduled to begin in July of this year and will be completed in 2012.

Because of the port and the Mega Site, West Tennessee is positioned for all types of new investment. In anticipation of landing large projects an inventory of Deal Ready® sites has been conducted. These are third-party; consultant led certified industrial sites that meet the majority of manufacturing needs and criteria. National and international marketing of Deal Ready® and other available industrial buildings and sites is ongoing. We're sending the message that West Tennessee is ready to do business on a global basis.

Welcome Chris Berryman & Chuck Marquis



Charles T. "Chuck" Marquis has over 20 years in economic development and has been with TVA since 2003. In his current position as a regional development specialist, Marquis works with distributor customers of TVA power, community leaders, and state and regional economic development partners to foster and sustain job growth.



Chris Berryman is a regional development specialist, serving the largest concentration of industrial manufacturing companies in West Tennessee, Jackson and Memphis/Shelby County. A focus of his work is training communities on developing their available industrial land and buildings and improving their ability to attract high-quality industrial manufacturers.

TVA Comprehensive Services: Tune up your HVAC For Summer

Heating, ventilation and air conditioners (HVAC) can represent up to 50% of the energy used in a commercial facility and up to 35% of the energy used in an industrial facility. Therefore, improving the efficiency of your HVAC has the potential to drastically reduce your utility bill.

When constructing a new building, energy conservation should be a major factor in the selection of HVAC equipment and system design. The HVAC design should address comfort levels and indoor air quality, while considering energy efficiency.

Existing facilities should consider having an audit performed on their HVAC system. These audits will typically start with an assessment of your current system, which includes usage, controls, equipment, etc. This data will allow the auditor to estimate how much you are currently spending on HVAC and how much you may save by making energy efficiency improvements. Efficiency improvements that may be recommended are:

- Implementing an energy management system (EMS)
- Upgrading to more efficient equipment when available
- Implementing a regular maintenance plan
- Evaluating thermostat controls and locations
- Reducing HVAC operation
- Reducing unnecessary heating/cooling
- Installing an economizer cycle
- Employing heat recovery
- Minimizing exhaust and make-up air

HVAC recommendations and audits are just a few of the services offered by TVA and your local power distributor. TVA and its participating power distributor customers offer a wide variety of services to help companies identify energy solutions that generate savings and increase profit. The following services are also available.

Power Analysis

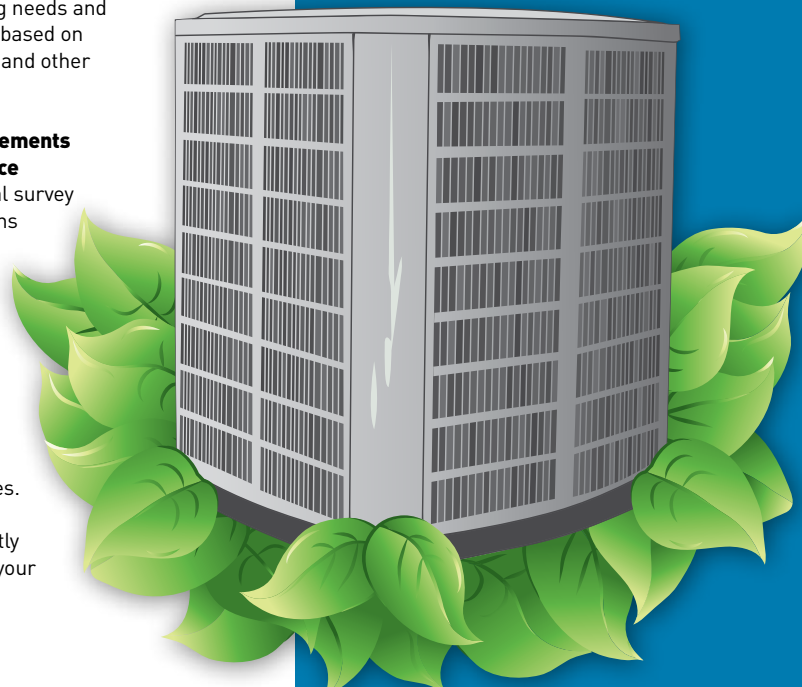
- Power Quality – Power studies can address voltage problems originating inside or outside your facility that adversely affect operations.
- Metering – Low power factor means that electricity is being used inefficiently at your facility. Temporary metering helps assess the problem.
- Demand-side Management – TVA will make recommendations on managing peak demand based on monitoring and testing of your electrical systems.

Energy Services

- HVAC – Studies of heating, ventilation, and air-conditioning systems helps TVA agents make recommendations on the best type and size of system for your facility.
- Lighting – Lighting experts can analyze indoor or outdoor lighting needs and make recommendations based on energy efficiency, safety, and other factors.

Energy-Efficiency Improvements and Predictive Maintenance

- Energy Audits – A general survey of your power use patterns can help identify energy management opportunities, processes, and improvements.
- Infrared Scans – These studies are performed to detect hot spots in electrical equipment or heating and cooling losses.
- Ultrasonic Testing – This test can help identify costly compressed air leaks in your equipment.



New MIP Incentives Empower Industry to Save

Motors consume about half the energy used in commercial and industrial facilities. High efficiency motors, which potentially can result in substantial savings in operating costs, are generally 2 to 8 percent more efficient than standard motors.

While these motors may cost more initially, many models can offer a substantial payback and return on investment within two years. For example, a high efficiency full load 50 hp motor with a 75% load factor can save about 4,000 kWh per year over a standard model. At \$0.06 per kWh, that's about \$240 in savings.

The improved construction and design of these high efficiency motors can lead to the following benefits:

- Longer insulation and bearing life
- Lower heat output and less vibration
- Extended winding life
- Increased tolerance of overload conditions
- Higher tolerance for increased voltage rates or phase imbalance
- Lower failure rates and extended manufacturer warranties

Ripley Power and Light Company and TVA have rebate offerings available to most commercial and industrial customers for motor replacement and other energy-efficiency projects. The accompanying chart shows the current rebate offering for replacing a motor with a premium efficiency one of equivalent size. The application and more is available at www.energyright.com.

Call Ripley Power and Light at 731-635-2323 or go to www.energyright.com/commercial for more information about Energy Right Solutions for Business.



Mike Demeris
Energy and Customer
Service Representative
mdemeris@ripleypower.com
731-635-2323



Walker Harmer, at right, Facilities Environmental Engineer at Marvin Windows and Doors of Tennessee, accepts a \$13,300 rebate check from Mike Allmand, President and CEO of Ripley Power and Light Company. The rebate is for energy efficiency improvements made at the Ripley plant.

Incentives + Savings... Add Up For Marvin Windows and Doors (continued from front)

grid. One of the recent projects has been selected for submission for a Governor's Environmental Award for Energy Conservation.

Harmer is looking forward to even more energy reductions at the plant. One upcoming project will replace two 40-ton HVAC units with more efficient units. "We'll go from 8.5 SEER to 12.2 SEER units," he said. He expects to save \$8,730 a year.

Another project calls for replacing another 70 metal halide fixtures with 56 T-8 fixtures. Harmer estimates the company will save \$6,500 annually. When you add the \$6,500 to the \$3,600 rebate the company will receive, the \$10,000 cost of changing out the lights will be met within the first year.

"I have been in business for more than 35 years and have never experienced a power company

that responds to my needs any better than Ripley Power and Light Company," said Harmer. "Its response time is tremendous whenever we have had a need." Recently, he added, the plant lost a transformer. "In less than four hours, Ripley Power and Light had a new transformer installed."

"Ripley Power and Light and Marvin Windows and Doors work very good as a team, and this recent improvement project is just another example of that," said Mike Allmand, President and CEO of Ripley Power and Light. "They are aggressive when it comes to energy efficiency. This benefits us all, including the Ripley community. As a company, Marvin Windows and Doors will enjoy the cost savings. And, the more efficient the plant can be operated, the more jobs they'll keep in Lauderdale County."