# Energy & Store Development Conference

# E+SD 2014

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FMI®

THE VOICE OF FOOD RETAIL

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# Why Build the Business Case?

- A business case in traditional terms is well known: what is the financial impact of a given strategy or initiative?
- The business case is not just about increasing profit but rather producing co-benefit – avoiding cost or increasing profit while conserving the planet and enhancing communities.
- In addition to improved financial returns the business case can provide ancillary benefits as well: brand enhancement assets, employee recruitment and retention tools, and a more secure supply chain.

# FMI SEC – Making the Case for the Business Case!

- FMI - Sustainability Executive Committee (SEC) is comprised of 22 member retailers
- This BC Guide was developed to assist retailers in defining, communicating and engaging senior level executives.
- The Guide provides a practical approach with links to key resources, and specific company examples
  - Also includes Mega trends and Member survey
- More than 15 case studies from leading retailers and food manufacturers including Campbell's, General Mills, Hannaford, Starbucks, and Wegmans
- The Business Case Guide can be downloaded from the FMI website

# The FMI Business Case Guide is organized by three key steps: It's as easy as 1.2.3!

## Step 1. Lay the Groundwork

## Step 2. Develop the Content

## Step 3. Build Support & Buy-In

# STEP #1:
# LAY THE GROUNDWORK

- Conduct an assessment
- Close the gaps (What does this mean?)
- Outline a plan for success

# STEP #2:
# DEVELOP THE CONTENT

- Establish a clear vision
- Conduct a business analysis
- Define urgency
- Identify simple requests

# STEP #3:
# BUILD SUPPORT AND BUY-IN

- Identify the target audience
- Understand the audience perspective
- Deliver effectively
- Refine, persist and make it better!

# Energy Efficiency and Cost Reduction

## Goal: Energy Conservation Strategies and Reduced Operational Cost

- Price Chopper operates 135 stores in 6 states with over 22,000 associates in the North East of the United States.
- Since 1994 Price Chopper has pursued an energy conservation strategy focused on high efficiency innovative technology and optimized utilization. This approach has significantly reduced operational costs and the overall environmental impact of the corporation.

| | |
|---|---|
| **Lay the groundwork** | • **Established a baseline:** Price Chopper has actively adopted innovative, energy efficient building technology as a BMP for over 20 years. Store energy performance is reviewed monthly and buildings of comparable size are benchmarked against each other quarterly.<br>• **Established clear responsibilities:** An energy team comprised of - Facilities, Engineering, Finance, and Sustainability has been formed to advise and guide the company on all energy related decisions. Energy performance is a point of review in all store manager annual performance evaluations.<br>• **Developed an standard methodology for evaluating energy systems investment:** Decisions begin with project pro forma and budgeting - projected energy savings and any incentives are calculated into the financials. ROI, performance and commercial viability of the technology drive investment decisions.<br>• **Developed and implemented a controlled access methodology for building energy systems:** Through effective censoring and building energy management systems technology, building energy use is digitally controlled and is monitored by store and facilities management. |
| **Develop the content** | • **Focused on the financial benefit of reduced use:** In 2013 Price Chopper built 4 new stores yet through the use of energy efficient technology and optimized utilization, reduced total chain electricity usage by 2.3% (8000 Megawatts!) or 8.5% reduction in electricity spend. While overall energy usage was slightly increased, ECMs reduced the cumulative impact by 7% (61,366 MBTUs ) which is equivalent to 3% avoided cost in overall energy spend. |
| **Build support and buy-in** | • **Selected natural leaders:** Store Managers are encouraged to reduce energy usage and associated cost.<br>• **Tracked progress:** Repeated energy modeling results confirm that due to energy efficient building technology all new Price Choppers operate at 27-33% more energy efficient than the building baseline. |

- 8.5% Reduction in total store electricity spend and 3% avoided cost in energy spend for the chain in 2013.
- Price Chopper will continue to follow energy conservation best management practices now and into the future!
- For more information please contact Joe Berman at josephberman@pricechopper.com

# Energy Efficiency and Cost Reduction

## Step #1: Lay the groundwork

- **Established a baseline:** Price Chopper has actively adopted innovative, energy efficient building technology as a BMP for over 20 years. Store energy performance is reviewed monthly and buildings of comparable size are benchmarked against each other quarterly.
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# Energy Efficiency and Cost Reduction

**Step #2:**

**Develop the content**

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# Energy Efficiency and Cost Reduction

**Step #3:**
**Build support and buy-in**

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# Energy Efficiency and Cost Reduction Results:

- 8.5% Reduction in total store electricity spend and 3% avoided cost in energy spend for the chain in 2013.

- Price Chopper will continue to follow energy conservation best management practices now and into the future!

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# Energy Awareness: Walk-in Cooler/Freezer Door Monitor Testing

## Goal: Reduce Energy Consumption and Operating Costs at Store Level

- Weis Markets operates 163 stores in 5 states with over 18,000 associates in the Mid-Atlantic region.
- Energy is one of the company's largest controllable operating costs. The key objective was to evaluate store procedures and practices to reduce energy use relating to freezer and cooler door alarms.

| | |
|---|---|
| **Lay the groundwork** | • **Established a baseline:** measured door open times in a control group of stores without associate knowledge<br>• **Established clear responsibilities:** Danfoss installed and monitored project<br>• **Developed a pilot program with one store initially :**<br>- Pre-install data collection, measured door open times<br>- Installed alarms on 9 doors throughout the store<br>- 30 pre and 30 post day installation monitoring data results recorded |
| **Develop the content** | • **Focused on the financial benefit:** Measured energy savings and reduction in store expenses through documented reduction in energy use. Also focused on Associate behavior modification in keeping the doors closed. |
| **Build support and buy-in** | • **Tracked progress:**<br>• Open doors reduced 4.5 hours per day<br>• Savings in energy costs $4100 annualized savings per door<br>• Avoided maintenance costs<br>• Associates still bypass systems to avoid alarms (local alarms)<br>• Projected yearly savings $28,945, Project cost - $10,553, ROI – 4.4 months |
| **Results** | • Provided results to Senior Management and has approved further installs. |

- Direct reduction in energy use determined through monitoring stores energy performance
- Weis will build on this success and are now being installed in all major remodeled and new stores
- For more information please contact Patti Olenick at polenick@weismarkets.com

# Energy Awareness: Walk-in Cooler/Freezer Door Monitor Testing

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- **Established clear responsibilities:** Danfoss installed and monitored project
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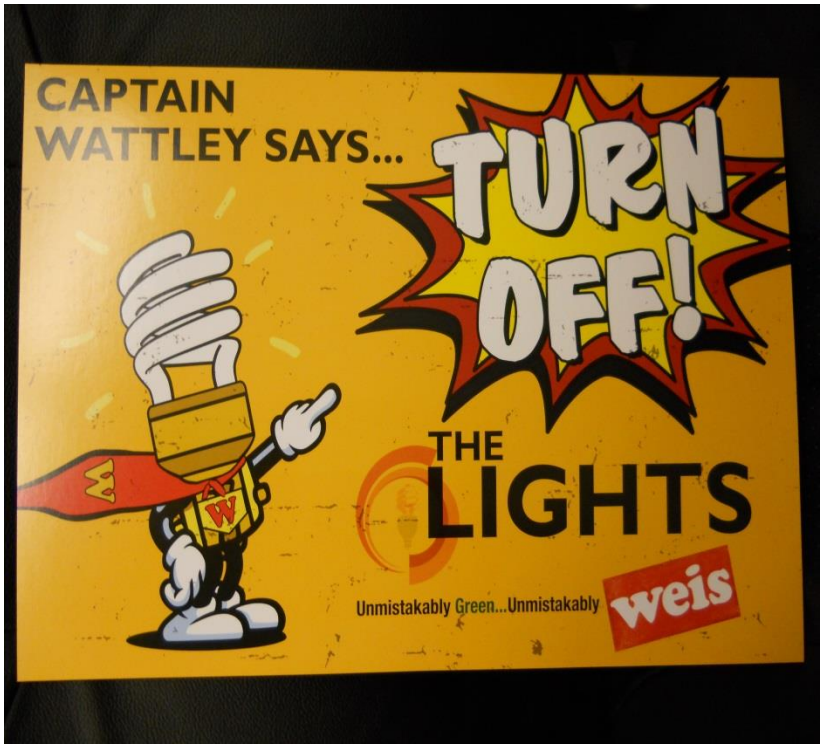
# Energy Awareness: Walk-in Cooler/Freezer Door Monitor Testing

**Step #2**

**Develop the content**

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# Energy Awareness: Walk-in Cooler/Freezer Door Monitor Testing

**Step #3:**

**Build support and buy-in**

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# What is your Business Case Story?