



February 14, 2018

**Testimony of Brian Fitzgerald, EHS Manager, Champlain Cable Corporation  
In Support of the  
Establishment of a Self-Managed Energy Efficiency Program (SMEEP)**

Dear Rep. Stephan Carr and Members of the House Energy and Technology Committee;

Thank you for allowing Champlain Cable Corporation the opportunity to speak today and provide testimony related to H.841 (amendments to Act 77) and the recommendations of the Public Service Department regarding the use of self-administered energy efficiency programs. My name is Brian Fitzgerald, and I am the Environmental, Health and Safety Manager at Champlain Cable. I also serve as the energy “coordinator” and interface with the public efficiency utilities on energy efficiency programs. Champlain Cable fully endorses energy efficiency programs and the implementation of projects designed to reduce the consumption of energy during the manufacturing of our products. We support the SMEEP concept and would welcome the opportunity to be considered within the pilot program. Increasing overall productivity and reducing energy usage makes good business sense for any manufacturer.

**Background**

Champlain Cable Corporation is a privately held specialty wire and cable manufacturer founded and headquartered in Vermont since 1956. The business started as American Super-Temp Wires, Inc. in Winooski, VT. In 1965, the business consolidated into one 200,000 square foot manufacturing facility in Colchester, VT.

Today, the Colchester location is still the company’s main manufacturing facility, includes its research and development center, and houses its corporate headquarters. Many Vermonters might not know that Champlain Cable has the distinction of being the #1 manufacturer in North America of high temperature rated cables used in electric and hybrid vehicles throughout the world. We also supply cable to the solar and wind renewable energy markets.

Champlain Cable currently employs 125 Vermonters. The manufacturing employees in Colchester are among the highest paid in the area, and our benefit plans are second to none. Champlain Cable was the recipient of the Deane C. Davis Outstanding Vermont Business of the Year Award in 2014 and received the Governor’s Outstanding Workplace Safety award in 2015 and 2017. The company ensures continued growth from a strong understanding and execution of core strategic principles which include the efficient utilization of its resources.

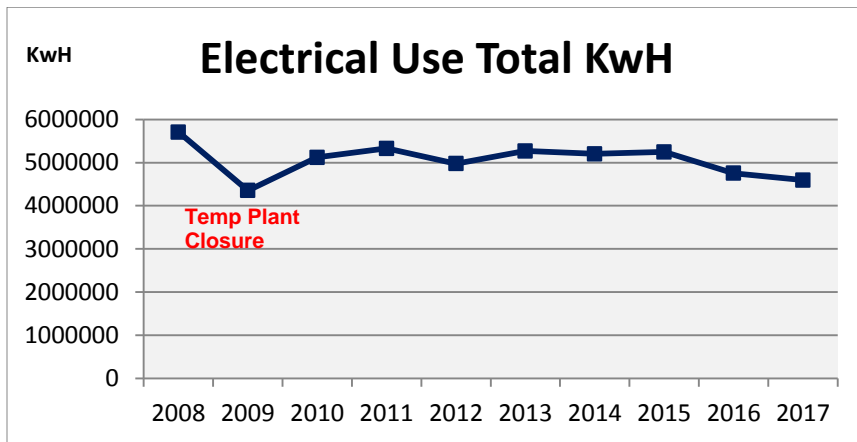
**Support of PSD Recommendations**

I am aware that during the hearings prior to passage of Act 77, this Committee took testimony concerning the increasing energy efficiency utility charges from both small, rural businesses and large multi-national corporations, and putting Vermont businesses at a competitive disadvantage. You also took testimony from business and advocacy groups that argued these charges and the efficiencies resulting from them made businesses more competitive. While Champlain Cable did not directly testify on the competitiveness argument,

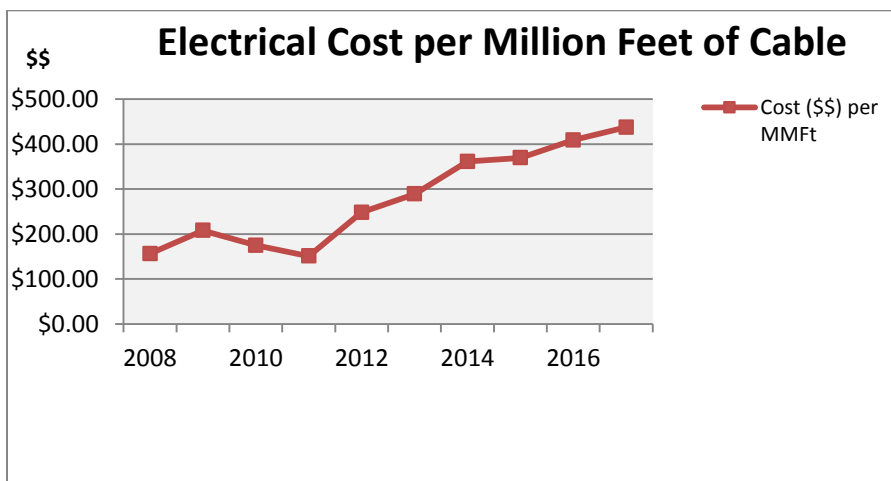


it does acknowledge that the efficiency charges are significant for its business, totaling over \$42,000 of electrical energy efficiency charges (EECs) and over \$3,300 in gas EECs in 2017.

Champlain Cable has worked with Efficiency Vermont (EVT) in the past and utilized incentives for discrete projects such as replacing its shop air compressor with a more efficient unit, installing high efficiency motor drives and pumps, and re-lamping its factory. These projects improved energy efficiency, had verifiable reductions in energy use, and helped slow the growth in our energy costs. The following graph depicts the electrical energy usage at our Colchester facility over the last ten years.



Despite these modest gains in reducing overall electrical energy use at the factory, our energy costs per million feet of cable produced (all products combined), continue to rise as seen on the following graph.



While working with EVT has proved to be beneficial in some areas, often times the pay backs for energy projects identified by the EVT staff are too long (> 3 year ROI) for most competitive businesses. It is also sometimes difficult to ascertain, what components of a project qualify for incentives and in what amounts. For instance, engineering design work to support an energy efficiency project with sufficient detail to obtain realistic quotes



for equipment, labor, and installation may not qualify for an incentive, or only a percentage of that cost would be covered.

Champlain Cable has not participated in the CCP or ESA programs, due to a total lack of awareness that these programs even existed, and a lack of knowledge of the criteria for which a business would qualify. Since Champlain Cable has already implemented those efficiency projects with the greatest and shortest payback, it is unclear, under the existing structure of the Electric Efficiency Utility (EEU), that we would pursue other projects, while we continue to pay substantial energy efficiency charges.

Any program structure that would allow Champlain Cable to retain its EECs over a multi-year period and invest in broader-based energy efficiency projects would be extremely beneficial to the business. We recommend keeping the criteria for which businesses would qualify as simple and straightforward as possible. Champlain Cable has minimal overhead and lacks the internal support staff to assess complex criteria and protocols to determine eligibility and provide projected savings. These services would need to be contracted out which add costs to the business. Champlain Cable recommends that the bundled EECs be used, at least in part, for the preparation of the comprehensive energy plan proposed for participation in SMEEP. It would be a barrier to small and medium sized manufacturers like Champlain Cable, if the criteria for eligibility is first premised on the development of a comprehensive plan, and the total cost of preparing that plan would be borne entirely by the business outside the EEC funds. Lastly, the proposed cost-based fee that would be imposed on customers participating in SMEEP to cover administrative and verification costs must be kept at a minimum and consideration should be given to capping that fee to no more than a small percentage (1-2 %) of the combined EECs for that customer.

## **Conclusions**

Champlain Cable supports the establishment of a Self-Managed Energy Efficiency Program with a total energy component. Providing flexibility in selecting an entity that understands its manufacturing process and can more holistically evaluate energy efficiency projects beyond just electric, including load management, onsite storage, thermal capture, and manufacturing and process efficiency, is essential for moving beyond our current efficiency projects. We strongly urge the Committee to support the concept of capturing both the EECs from electrical and gas services and combine them to evaluate projects that incorporate thermal and manufacturing efficiencies, which would reduce total energy usage. Champlain Cable's goal is to implement improvements in its manufacturing process that increases its operational efficiency and reduces its energy costs per unit of production. The SMEEP program outlined in the PSD report if available to Champlain Cable will assist in the continued growth of our manufacturing operations and increase the potential of secure employment for the many Vermonters and their families that rely on our success.

Thank you for the opportunity and I trust this testimony will assist the Committee in its deliberations.