

**ENERGY EFFICIENCY, INDUSTRIAL COMPETITIVENESS AND ELECTRO-TECHNOLOGIES:
TURNING TECHNOLOGY INTO A COMPETITIVE ADVANTAGE**

THE TRITECH APPROACH

Gerry J. Kuhel, Director, Technology Application, A&C Enercom

TRITECH uses two basic approaches to technology deployment -- project assessment and development. The reason for the dual approach is as follows. Out of every 100 technology implementation opportunities, about 80 of them will be lost due to the combination of improper assessment (the wrong solution or no solution), customer disinterest (they simply won't do anything until it is too late -- "If it ain't broke, don't fix it!"), or bad timing (the customer just installed an alternative). Therefore, the objective of the project assessment activities is to "cull" and rank the true opportunities worthy of follow up. This is performed in one of two implementation paths: Market Research and Technology Marketing.

Market Research consists of reviewing a utility's customer list (and SIC code information), discussing perceptions of customer activities with utility staff, conducting telephone interviews, assessing technology opportunities, and developing a marketing implementation plan. This path is basically the "pay as you go" approach to technology implementation. A utility selects the steps and makes incremental marketing investment decisions leading ultimately to the selection of projects, agreement on business terms, and actual project deployment.

Technology Marketing puts the "monkey on our back" to decide what will truly be cost effective as part of the ultimate project adoption. We will assess your customer situation and decide what will be the best way to see project adoption. If necessary, we will develop the fact sheets, case studies, marketing literature, run customer seminars, use Compact Disk Interactive (CDI), or even build a technology demonstration center. Obviously the prior market research step indicates the same information, but we will be viewing technology marketing as an investment decision to assure project implementation, not as an expense (which is the way most utilities face marketing program decisions like this).

Whether a partnering utility pays for use to perform these steps outright or we perform them as part of our efforts to improve cost effectiveness in the deployment process, they need to be done. Once we identify projects and gain commitment from the customer that the basis for a business relationship is there, the project moves into the engineering assessment, project specifications, construction, and financing steps. Essentially, the TRITECH approach is a "developer" perspective that gains customer commitment followed by integrated engineering implementation.

The TRITECH assessment and developer skills are primarily in-house talent. Joel Gilbert and Mike Rhinehart have proven experience here and are widely known by both utilities and their major customers. They have strong internal engineering support and a network of technology consultants on-call. Once the projects are defined and a basic business structure is established, TRITECH staff acts principally as project managers coordinating and controlling the quality and costs of appropriate engineering companies. For example, district heating and cooling projects might subcontract to HEC, HDR, and others for project buildout. Environmental based projects would go to qualified engineering and equipment design firms such as RMT. In every case, TRITECH coordinates project development and makes sure the overall objective stays in focus.

UTILITY PARTNERSHIPS

TRITECH offers three basic utility technology partnerships: Marketing, Implementation, and Investment. It is also natural for a utility to move across this range as needs dictate.

Marketing Partnerships: Acting as your marketing partner -- performing market assessments, supplying marketing materials, training, case studies, site surveys, seminars, etc. We might even offer a technology hot-line where customers and/or representatives can call in to review opportunities or even design and build a technology center.

Implementation Partnerships: Your *results-based* marketing partner where we choose what to do based upon the results you want. We could be paid for BTUs saved or sold, kWh, etc. One could also call this performance-based technology deployment. The concept here is that we are essentially guaranteeing the utility cost effectiveness in their technology marketing efforts. Under this scenario we might (or might not) choose any one marketing method based on how well we thought it met our goals. We could even build a technology center for a utility as part of the delivery process, if appropriate.

Investment Partnerships: This carries the previous ideas to the highest level where the utility and TRITECH form an investment partnership. We jointly manage an investment fund for customer project adoption. For example, your utility might put \$10 million into projects for their service area and TRITECH matches that. We appoint an advisory panel to manage that investment to maximize the benefit to your utility's customers while providing a reasonable rate of return to the investment partners. Marketing and project selection would answer to "prudent expenditures" for market research, marketing, etc.

- Step 1: We will conduct an introductory workshop session with your marketing staff to introduce them to TRITECH and discuss how together we will put competitive technology to work in your service territory. The complete technology deployment process will be discussed. We will begin by covering the proper selection of customers through the successful deployment of competitive technologies.
- Step 2: Working closely with your marketing staff, we will select 100 customers to review using a combination of telephone interviews and site surveys. Customer selection will be based on known and/or perceived interest in adopting technology to reduce production costs, increase productivity, improve product quality, and address environmental concerns.
- Step 3: We will develop a telephone interview instrument specifically for the 100 customers to be used by our engineering staff. After your marketing representatives have notified customers that TRITECH will call to conduct an interview, we will place calls lasting approximately 30 minutes. We will compile these interviews and summarize the results for your review. Together we will rank these customers by added kW impact on bottom line and retention value. This step requires approximately six weeks.
- Step 4: We will work with your marketing staff to select 10 of these customers for site visits to conduct manufacturing assessments. These assessments will formally introduce then 10 customers to your industrial competitiveness program and quantify the opportunities identified from the phone interviews. Our assessments will also further identify opportunities for improving customers' competitiveness that may not have been discussed in the phone interview.
- Step 5: We will compile the manufacturing assessments into customer reports and prepare a formal presentation to your marketing staff outlining the findings and opportunities.
- Step 6: Together we will develop an approach to deploy the selected projects to your customers. TRITECH will act as your technology deployment partner, performing the required marketing and project engineering detail to assure successful installations of new technology.

Step 7: Together we will present projects to your customers that can improve their competitiveness. TRITECH will offer your customers a “turn-key” approach to design, finance and/or construct these projects for your customers. Our goal in this step is to make it easy and quick for your customers to achieve successful installations of new technology that can assist them in becoming world class competitors.