



# Energy Edge

A NEWSLETTER FOR MEMPHIS LIGHT, GAS AND WATER DIVISION GENERAL POWER CUSTOMERS  
OCTOBER 2011

## Autumn brings low-cost seasonal electric rate, minor TVA rate increase and declining Fuel Cost Adjustment

There are many reasons to enjoy Autumn, including football, changing leaves and more pleasant temperatures. Add lower electricity costs to the list, now that MLGW has entered the Transition season when electric rates are lowest.

TVA's April 2011 rate restructuring introduced seasonality to MLGW's electric rates, with the calendar divided into Summer, Winter and Transition periods. Electric rates are lowest during the Transition months of October, November, April and May.

TVA's August announcement of a wholesale rate increase impacted all rates minimally. Quick calculations of the GSA-1 (E2) and GSA-2 (E2-2) rates show the increase was \$0.0018 per kWh. At just over \$0.02 per kWh, TVA's current Fuel Cost Adjustment is at its lowest level since the April rate restructuring—offsetting TVA's rate increase. View rate details at [http://www.mlgw.com/SubView.php?key=comm\\_genrateinfo](http://www.mlgw.com/SubView.php?key=comm_genrateinfo)

With many customers currently budgeting for 2012, we offer these projections, based on what we're seeing and hearing about utility rates and municipal fees:

- There is no MLGW operational electric rate increase planned for 2012. The TVA Fuel Cost Adjustment (FCA) could see increases due to this year's storms. For budget purposes, include a 5%-7% overall increase.
- There is no natural gas rate increase planned for 2012 and we expect the Purchased Gas Adjustment (PGA) to remain stable. However, gas demand is dependent on the weather and colder temperatures result in higher prices.
- MLGW is seeking an approximate 5% water rate increase for 2012 due to rising operating costs for water treatment and distribution.
- We are not aware of a sewer rate increase planned for 2012. You may recall that the City of Memphis dramatically increased the sewer rate effective August 2010 from \$0.7876 per ccf to \$1.6957 per ccf.
- The City of Memphis may seek a storm water rate increase effective at the start of the City's fiscal year next July. For budgeting, estimate in the 5%-10% range.

### MLGW Rates

MLGW's current and historic electric, natural gas and water rates are published at [www.mlgw.com](http://www.mlgw.com), along with updated Purchased Gas Adjustment and Fuel Cost Adjustment rates.

### Purchased Gas Adjustment (PGA)

MLGW Rate	Consumption	Demand
G-1 residential	(\$0.194)	na
G-7	(\$0.277)	na
G-8 / G-9	(\$0.376)	\$0.160
G-10 / G-12	(\$0.364)	na

Monthly adjustment in \$/Ccf to published natural gas rates for meters read on or after 9/30/2011.

### Fuel Cost Adjustment (FCA)

TVA Rate Class	MLGW Rate Code	FCA Amount
GSA, Part 1	E-2	\$0.02431
GSA, Part 2	E-2	\$0.02431
GSA, Part 3	E-2	\$0.02402
Residential	E-1	\$0.02457
Outdoor Lighting	E-3	\$0.02461

Monthly adjustment in \$/kWh to all firm kWh, beginning with meters read on or after 9/30/2011.



### Important Contact Information

Commercial Resource Center:

Monday-Friday

7:30am-5:00pm Central

Phone: 901-528-4270

Fax: 901-528-4547

E-mail: [crc@mlgw.org](mailto:crc@mlgw.org)

Emergency: 901-528-4465

Outage: 901-544-6500

VIEW YOUR BILL ONLINE AT [www.mlgw.com](http://www.mlgw.com)

## TWICE AS MANY REASONS TO UPGRADE

### **TVA doubles energy efficiency incentives for facility improvements**

TVA is increasing rebate amounts as it ramps up its energy efficiency program goals to control operating costs and minimize the need for new power generation plants. The new incentives are effective with projects submitted on and after 10/1/2011.

Incentives through Energy Right Solutions for Business will double for the standard rebate, which pays per-unit incentives for typical lighting, HVAC equipment, motors, and food service equipment upgrades. Incentives for custom rebate projects will rise from \$0.05 to \$0.10 per kilowatt-hour (kWh). Custom rebate are capped at 70% of total project cost. Incentives for manufacturers with electric demand of 5,000 kW and greater will also double, from \$0.05 to \$0.10 per kWh, through the Major Industrial Program.

More than 500 companies, large and small, were evaluated through the program last year. TVA paid more than \$4 million in reimbursements to those businesses. Additionally, these businesses benefited from reduced electricity bills for their collective 123 gigawatt-hour (GWh) of electricity savings, which is enough to power nearly 7,800 typical Tennessee Valley-area homes for a year.

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“We encourage companies that haven’t taken a hard look at power expenses and energy efficiency to take advantage of this new incentive,” said Bob Balzar, TVA vice president of Energy Efficiency and Demand Response. “Energy efficiency is a clean, carbon-free resource that helps keep electricity costs lower for everyone, which is something every business owner can appreciate.”

For its current fiscal year, which began 10/1/2011, TVA has a 162 GWh reduction goal for Energy Right Solutions for Business, plus a 144 GWh goal for the Major Industrial Program. The incentive increases are designed to encourage more companies considering improvements to move forward with implementation.

Energy Right Solutions for Business and the Major Industrial Program both provide access to site-specific evaluations. Many of the expert evaluations are free to help customers identify and prioritize energy improvements if they do not already have a project plan.

Common questions for projects in the planning and construction stages:

- Energy Right Solutions for Business projects that have already been submitted, where improvements have already begun but incentives have not yet been paid, are not eligible for the higher incentive amounts.
- However, if your submitted Energy Right Solutions for Business project has not yet been approved by TVA and you have not removed or purchased any equipment, then you can cancel your project and reapply to receive the higher rebate. Contact the Energy Right Solutions Business Center at [TVAbusinessincentive@tva.gov](mailto:TVAbusinessincentive@tva.gov) or 866-233-0450.
- Under the Major Industrial Program, if you have already signed a tri-party agreement, you may not cancel it or reapply for the same project.

TVA’s Business Incentive Application Package has been revised to reflect this change, so if you are in the document preparation stage, please make sure you submit the latest version. Find it and other details at [www.mlgw.com/businessenergyincentives](http://www.mlgw.com/businessenergyincentives)

## Pathway extends 3% Energy Efficiency Loan offer through December

Looking for low-cost financing to implement your energy efficiency project? Pathway Lending has lowered the rate on its Energy Efficiency Loan to 3% through 12/31/2011. Projects can obtain up to 100% financing with terms up to five years.

Pathway Lending's Energy Efficiency Loan Program is available to any business in Tennessee looking to reduce energy consumption through retrofits, building upgrades, replacement purchases or other energy efficiency or renewable energy projects. Organizations with 501(c)3 and 501(c)6 status also may qualify.

The Energy Efficiency loans can finance up to 100% of project costs. TVA incentives, tax credits and other resources also can help to reduce the overall project cost. Loan amounts can vary from \$20,000 to \$5 million. Applications for Pathway Lending's Energy Efficiency Loan Program are accepted online at [www.pathwaylending.org](http://www.pathwaylending.org). For more information, call (615) 425-7171, or e-mail [eeinfo@pathwaylending.org](mailto:eeinfo@pathwaylending.org).

The Tennessee Energy Efficiency Loan Program is a \$50 million energy-efficiency program launched in August 2010 by the state of Tennessee, the Tennessee Valley Authority, Pinnacle Financial Partners, the U.S. Department of Energy and the U.S. Economic Development Administration.

## Lamp recycling works at MLGW; plan for it at your facility

*Like each of our customers, MLGW faces energy management and operating cost challenges. This article, written by MLGW Energy Use Engineer Marguerite Epps, P.E., C.E.M., reveals the utility's lamp recycling practices. Epps will provide occasional articles discussing MLGW's efforts to reduce operating costs through facility improvements.*

A commercial building's lighting system can account for roughly 25% to 50% of its electricity consumption. Energy Managers understand that a lighting retrofit can be an easy, cost-effective way to reduce energy consumption and costs in a facility. Whether it is to improve lighting quality, reduce unnecessary illumination or utilize new energy-efficient light sources and technologies, a lighting retrofit concludes with the need to dispose of the end-of-life lamps.

At MLGW, lighting upgrades are completed in buildings each year. Old T-12 fluorescent lamps and magnetic ballasts are replaced with efficient T-8 fluorescent bulbs and electronic ballasts. LED (light emitting diodes), T-5 HO (high output) fluorescent and compact fluorescent bulbs replace incandescent, metal halide lamps and other older, less efficient styles.



After a retrofit project or a group re-lamping, large or small, the used lamps are received by MLGW's Investment Recovery & Salvage facility. The lamps are managed as universal waste, as defined in the Tennessee Hazardous Waste Regulations. (Ballasts are evaluated to determine the proper handling and disposal procedures.) In most projects, the balance of the fixtures are reused with the new lamps. Otherwise, the metal components are sold for scrap.

The bulbs are received in their original boxes or in structurally sound containers and sealed to prevent breakage. The containers are labeled with additional information, and are readied for pickup by an environmental services waste broker. The broker sends the lamps to a recycling vendor.

Last year, MLGW recycled 7,375 pounds of used lamps. This is equivalent to the greenhouse gas emissions from about two passenger vehicles.

Typically, the recycler crushes the lamps, and sorts the material into separate components. A vacuum system prevents mercury or other toxic substances in the lamps from being released into the atmosphere. Glass, metal end caps, mercury and phosphors (substance that coats the outside of the lamps) are separated and recycled. About 95% of the material is reused from recycling fluorescent bulbs.

Businesses that are interested in forming a recycling program for lighting fixtures should take the following steps:

1. Assess your facility to determine the number of lamps which will need to be recycled each month.
2. Become familiar with the regulations which govern the recycling of lighting fixtures.
3. Research qualified recycling vendors. Select one which meets state and federal requirements and your operational needs. NEMA (National Electrical Manufacturers Association) maintains a list of lamp recyclers at <http://www.lamprecycle.org/Recyclers.php>
4. Establish a budget for recycling costs. Ask several vendors to provide pricing information.
5. Develop a plan to manage used lamps. Allocate space in your facility for storage. Check state and federal guidelines on storage, breakage and transportation requirements.
6. Educate your employees on how to properly handle lamps and ballasts. Contact your state environmental office or the EPA to determine proper procedures.
7. Keep records of the dates, types and quantities of lamps recycled. Some recyclers provide Certificates of Recycling which certify the quantities and other details.

Alternatively, businesses can opt to work directly with their lamp distributors to see if recycling services are available. Many distributors offer one-stop-shopping services.

If a retrofit project will be completed by a contractor, include a waste lamp management clause in the contract terms. Your business could potentially be held liable if the contractor or subcontractor improperly disposes of the materials. Ensure that the contractor is in compliance with state and federal regulations. Ask for documentation.

Lamp recycling works for MLGW. It also can work for your business.

*Encourage your employees to recycle their fluorescent lamps too. Used fluorescent lamps can be deposited in bins located in the customer service area at Home Depot and Lowe's stores during store hours. Fluorescent lamps and many other household materials also can be recycled at the Memphis and Shelby County Household Hazardous Waste facility. Details: <http://www.cityofmemphis.org/framework.aspx?page=870> Want to learn more? This website features a searchable database of recycling options by product and ZIP code, <http://earth911.com>*