



Chick Packaging Sees Major Benefits from PG&E Program



Project Results

- \$33,000 in PG&E rebates
- About 340,000 kWh saved annually
- Up to \$44,000 in projected annual energy savings*
- Project included: lighting and occupancy sensors

*\$0.14/kWh was used for annual savings

“What PG&E and the vendor presented looked like a real win-win for us — an energy efficiency program that could reduce our costs and enhance our ‘green’ image, which is important to so many of our customers.”

**Doug Miller,
General Manager,
Chick Packaging**

Chick Packaging – Milpitas

The company known today as Chick Packaging was born in 1870 as John F. Chick and Son, a lumber mill in central New Hampshire. Through the years, the company transitioned into a retail lumber yard, an industrial packaging producer, and now a provider of cost-effective packaging solutions for multiple industries worldwide. Chick’s ten US facilities and 500 employees make wood crates, corrugated boxes and wood skids that are used to package and transport everything imaginable, from medical and electronic products to live pandas and a legendary World War II fighter plane.

Going Green with Lighting

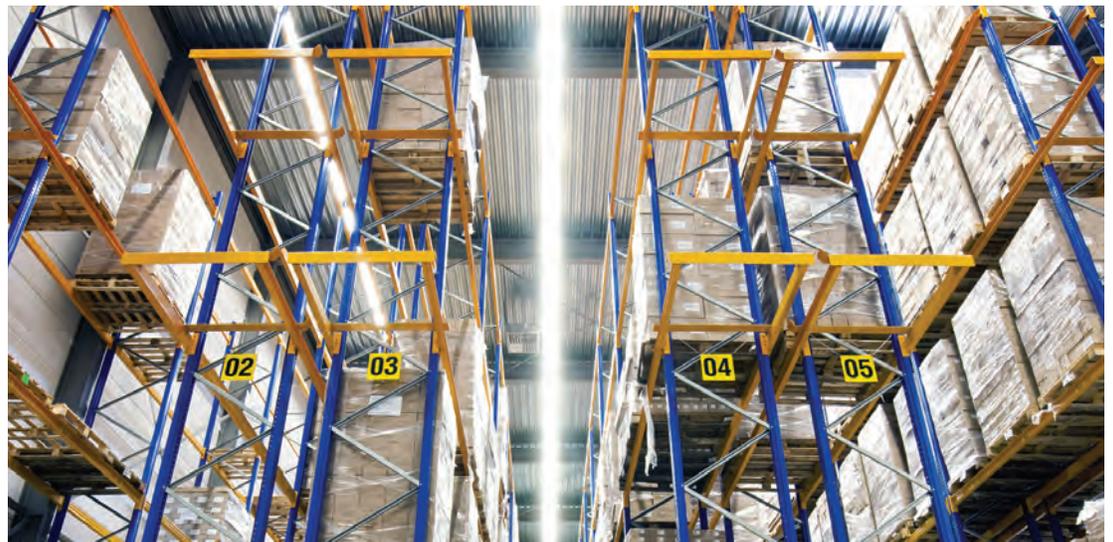
Chick’s Northern California division operates out of a 130,000-square foot manufacturing, warehouse and transport facility in Milpitas. The facility established an award-winning waste recycling program a couple of years ago that reduced its landfill impact 95 percent and also produced tremendous cost savings.

Eager to duplicate that success, General Manager Doug Miller targeted his “dingy, depressing” warehouse lighting, which then consisted of 400-watt high-pressure sodium and metal halide fixtures producing a yellow hue that Miller considered less than ideal for worker safety. The inefficient lighting system also accounted for more than 85 percent of the Chick Packaging facility’s overall electric bill. So when a Pacific Gas and Electric Company representative proposed a lighting retrofit, the timing was perfect.

Retrofit Thrills the Employees

With PG&E deemed rebates powering the process, the contractor replaced 207 outdated warehouse fixtures with 4-lamp T5 fluorescent high-bay fixtures. The 5000-square foot office space in the facility was retrofitted with 119 new T8 fixtures and ballasts, replacing the old T12s.

The project had an instant and surprising impact on Chick’s employees.





*"The contractor began putting up the new fixtures in the storage area at the back of the warehouse and worked their way forward, and the manufacturing people got more excited day by day as they saw this nice brilliant white light moving in their direction. They couldn't wait until the new lights were installed over them. It was amazing the way morale just soared when people could see and read better – the new lighting wasn't just safer, it made the entire work environment more enjoyable." **Doug Miller, General Manager, Chick Packaging.***

Miller insisted on having occupancy sensors installed in every fixture at additional cost. The practice at the Chick facility had been to keep all lights burning throughout the first shift and more than half through the second. But Miller noticed that with just 70 employees, only a third of the entire building is occupied at any given moment – the production area stays busy, but the remainder is primarily storage and doesn't require nonstop lighting. The individual occupancy sensors now turn the fixtures on automatically whenever someone enters the area. When movement is no longer detected, the lights switch off within 15 minutes. Sensors were also installed in the office areas as well.

The contractor also replaced four incandescent exit signs with LEDs and battery backups.

The Bottom Line – A Five-Month Payback

The total project cost was just over \$51,000, and PG&E covered nearly \$33,000—two-thirds of the bill—with a deemed rebate. Chick Packaging's net outlay was about \$18,600, or less than \$60 per new fixture.

The measures immediately reduced the facility's energy consumption by 38 percent on a monthly basis, saving 88 kilowatts and nearly 340,000 kilowatt hours a year and producing projected annual energy savings of nearly \$44,000. The lighting retrofit has paid for itself in a remarkable five months.

As rewarding as the financial results of the project have been, Miller sees even greater rewards to Chick Packaging's people — himself included.

*"There are very few things that you can do in a business that attracts everybody's enthusiasm and participation the way this project did. It was such a fantastic step for us that I actually wrote a Best Practice white paper for the company's other facilities, telling them what we'd done and projecting our possible cash savings at up to \$500,000 over the next five years. But even without the savings, this would have been worth doing. The excitement for the project and the improvements in morale and safety have made this a tremendously rewarding experience for me personally." **Doug Miller, General Manager, Chick Packaging.***

Next Steps with PG&E

To learn how PG&E can help your small or medium business manage energy consumption and reduce costs, contact your local PG&E representative or call our PG&E **Business Customer Service Center** at **1-800-468-4743**. More information is available at www.pge.com/moneybacksolutions.

