Lepe’s Foods’ Success Story:
How Time-of-Use Rates and Energy-Efficient Upgrades Can Benefit the Bottom Line
Introduction to Lepe’s Foods

Marco Lepe, from a family of entrepreneurs, opened his own food distribution business, Lepe’s Foods, in 1991. Its current Santa Rosa facility started with one refrigeration unit and soon expanded to an additional refrigeration unit and freezer unit, totaling more than 12,000 square feet. Today, his business serves more than 200 local stores, restaurants and residents.

How Energy Plays a Part At Lepe’s Foods

For food distributors like Lepe’s Foods, the freshness of their products and timeliness of deliveries is essential for success. In order for Lepe’s Foods to maintain quality and efficiency, Marco keeps a close eye on operating costs and the bottom line. Refrigeration comprises a large percentage of Lepe’s Foods’ operating costs. In 2010, before upgrading his facility, his energy bill was on average about $3,400 per month. In response, he has taken advantage of ways to increase efficiencies and reduce costs.

Early Efficiency Changes

"(PG&E) has been a great help... (The investment) paid for itself in just over six months."
The Call that Transformed Lepe’s Foods’ Energy Bill

Marco hadn’t considered making bigger changes to reduce his business’ energy bill until the summer of 2011, when he partnered with PG&E.

After an initial assessment with his local PG&E representative and consulting with EnergyWise America to identify upgrades that could save his business energy and money, Marco felt both excitement and skepticism. The benefits of upgrading his drive-in refrigerators’ and fans to more efficient ones were appealing for many reasons. At the same time, finding the funds to upgrade his appliances in a challenging economic climate and at an unpredictable time for businesses seemed challenging and risky.

With the assistance of his local PG&E representative, Marco took advantage of the Cool Biz program, managed by KEMA Services, Inc., for an incentive worth $31,400, to help cover upgrade costs. After making the changes, Marco watched his bill go down on average more than $1,000 per month. In just over six months, savings had offset his out-of-pocket investment.

Choosing the Right Rate Option

In addition to making energy-efficient upgrades, Marco’s local PG&E representative conducted a rate analysis to help him find the best rate plan to fit his business. Lepe’s Foods switched to time of use rates, which means that its rates are higher when energy is in high demand (typically weekdays from May through October, from noon to 6 p.m.) and lower at all other times. As a result, Lepe’s Foods is able to conserve energy during peak electric demand hours and save money on its monthly energy bill.
What You Can Do For Your Business:

PG&E can help you find ways to take control of your business’ energy costs.

- Visit My Energy online at www.pge.com/myenergy to view your energy use and evaluate your rate options.
- Learn more about time-of-use rates at www.pge.com/TOU and discover ways to save.
- Contact your local PG&E representative or call our Business Customer Service Center at 1-800-468-4743.

Communication with PG&E to see where you can save. It helps tremendously.

Every Effort Counts

"If we can make anything more efficient, we will."

Finding ways to reduce the operating costs for Lepe’s Foods is still a top priority for Marco. Not only does he keep an eye out for PG&E emails, newsletters, mail and his local PG&E representative’s calls, but he also finds ways to reduce his business’ other operating costs. Lepe’s Foods upgraded its truck fleet, altered delivery routes and moved its computer systems to the cloud. Lepe’s Foods makes an effort to charge forklifts at night to take advantage of time-of-use rates and is mindful of turning off unused lights. The big changes Marco implemented amounted to substantial savings, so as the business grows, Lepe’s Foods can keep its energy costs down.

What is Time-of-Use Pricing?

Beginning November 2012 and continuing over the next several years, PG&E small and medium business customers are moving from a single flat electric rate to time-of-use rates. This is part of a plan mandated by the California Public Utilities Commission to ensure greater power reliability and a better energy future.

Time-of-use rates are slightly higher during summer weekday afternoons when electric demand is higher, typically noon to 6 p.m., May through October. In return, time-of-use rates are lower at all other times. This means that when you use energy, is just as important as how much you use. If you conserve electricity in your business during peak hours, you can save money on your electric bills.*

*Energy efficiency and TOU results may vary by rate schedule. Some rates include demand charges. Demand is based on the highest usage of electricity in a single 15-minute period during the billing month, measured in kilowatts (kW).