

Energy Management Success Story



Merrick International Cuts Electricity Costs 35% and Boosts Capacity with SCE Standard Performance Contracts

Estimated Savings by Managing Energy

Location: Corona, CA

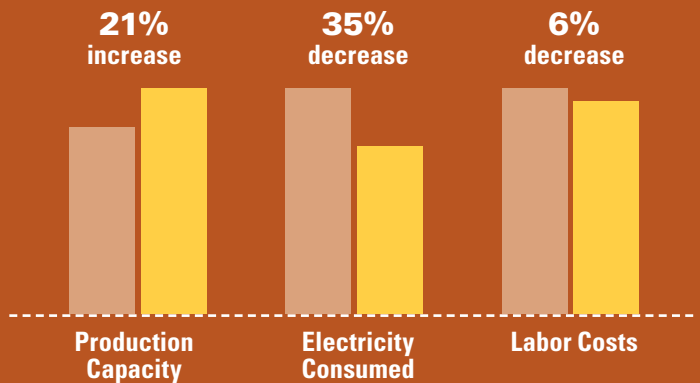
Industry: Manufacturing

Savings to date: 1.45 million kWh to date, equivalent to keeping 1.45 million pounds of greenhouse gases out of California's air (like removing 100 cars from the road for one year)

35% decrease in direct costs for electricity; indirect savings in labor, and increased sales capacity

SCE Programs utilized: Standard Performance Contract

Results: Increased energy efficiency, with lower energy usage even as output increased; labor and direct cost savings



Abraham Abdi, Founder and President of Merrick International, and Muna Vienna, M.D., Executive Vice President

Improved Operating Efficiency Means Greater Output and Sales Capacity, Savings to Date of 1.45 million kWh

"Double the output while controlling costs," says Abraham Abdi, founder and president of Merrick International, "and you're creating a huge competitive advantage." Easy enough in theory, but Merrick International, manufacturer of molded-plastic closet and home organization products, makes the theory profitable in fact. **Controlling electricity costs with the Standard Performance Contract (SPC) Program from Southern California Edison is a key to their success.**

With over 35 years in business, Merrick has undergone continual expansion and operational improvement while facing predictable challenges of rising energy costs. Faced with a possible out-of-state move to control expenses, their solution was to stay and improve their return on overhead by increasing output and efficiency, thereby slashing unit costs on their products. **SPC provided them the opportunity to receive financial incentives on innovative molding machinery that enables Merrick to use less power than before** while making a million coat hangers a day at their Corona plant — a significant improvement over the output of their old machinery. The savings on electricity



"Our savings now total about 1.5 million kilowatt hours to date and counting. We're busier than ever supplying major retailers at a great price."

Abraham Abdi, Founder and President
of Merrick International



costs have accelerated the payback on the investment and helped Merrick get a powerful competitive advantage through the innovation.

Standard Performance Contracts: Incentives Now, Long-Term Savings

The Standard Performance Contract (SPC) program offers financial incentives to offset the capital cost of installing highly energy-efficient equipment or systems. Project examples may include common retrofits like lighting, HVAC and refrigeration upgrades, or more specialized process improvements and customized equipment replacements. Retrofit or new equipment installations are eligible. Incentives are based on the type of equipment installed and the kilowatt-hours saved over a 12-month period.

"Every manufacturer faces the challenge of controlling costs, and electricity is just one of them," says Merrick Executive Vice President Muna Vienna, M.D. "But one company's hurdle is another company's advantage. Instead of saving money by compromising quality or materials, **we found a way to improve quality and productivity while saving money and electricity in our process.**" "Our savings now total about 1.5 million kilowatt hours to date and counting," Abraham affirms. "We're busier than ever supplying major retailers at a great price, and we're running our new equipment 24/7 to keep our customers satisfied."

Earn Even More Savings with Other SCE Programs

- Leverage long-term savings from your hardware improvements using **SCE Demand Response Programs**, which reward you for reducing your electricity usage. Learn more at www.sce.com/drp or call 866.334.7827.
- **SCE's Technical Assistance & Technology Incentives (TA&TI) Program** (866.238.3605, ta&ti@sce.com) provides technical assistance in the form of demand response site assessments, usually at no charge to eligible commercial and industrial customers. The program also offers incentives for implementing measures and installing technologies that reduce electricity use during periods of high demand.
- **SCE's Express Efficiency Program** at www.sce.com/express (800.736.4777) offers SCE business customers cash rebates toward the purchase and installation of

qualified equipment for lighting, refrigeration, climate control, and food service that improves their facility's energy efficiency.

- Use Web-based tools such as **SCE EnergyManagerSM**, **SCE Cost ManagerSM** and **SCE Bill ManagerSM** (888.462.7078) to monitor your electricity usage in real time and over the long term.
- **SCE's Industrial Energy Efficiency Program** (www.sce.com/RebatesandSavings/LargeBusiness/Industrial) looks for ways to maximize energy efficiency potential and capture new energy efficiency opportunities at industrial facilities. Call your SCE representative to find out if SCE's Industrial Energy Efficiency Program can work for you.

Start Saving Now

Standard Performance Contract Program 800.736.4777

Southern California Edison offers a range of programs such as cash incentives, energy surveys, and payment options to help you better manage your electricity costs.

This case study is provided for your general information and is not intended as a recommendation or endorsement of any particular product or company. Funding for this case study is provided by California utility customers and administered by SCE under the auspices of the California Public Utilities Commission.

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