

California Pizza Kitchen

Takes a Slice Out of Energy Consumption

When the recession hit in earnest during the fall of 2008, the impact of consumers' tightened purse strings was felt quickly. Lost confidence in the strength of the economy, new worries about income and a focus on saving money sent people into a sort of hibernation with their usual discretionary spending. One of the first behavioral changes made by consumers meant an end to eating out.

For the fast-casual restaurant industry, it was a heavy blow. Across the board, sales fell and growth slowed. Despite their position as one of the most successful such chains, even California Pizza Kitchen wasn't immune to the drop in customer counts. The company subsequently began taking a closer look at expenses to see where savings opportunities might exist. One line item stuck out like a sore thumb: \$21 million each year in energy expenses.

Restaurants are among the biggest energy consumers of all types of commercial spaces. Beyond the demand created through heating, cooling and lighting, the cost of sanitation and the utilities needed to run cooking equipment all add up to an energy spend that can be a significant percentage of operating expenses.

"To make matters worse, no one person in the organization was taking ownership of this huge cost," says Clint Coleman, Senior Vice President of Development for California Pizza Kitchen. "Once we realized how much we were spending on that one operating expense, it was clear that this was where we had the opportunity to make the biggest impact in terms of cost-cutting."

In January 2009, concern over this \$21 million cost led California Pizza Kitchen to seek the help of energy management experts ENGIE Insight to gain a deeper understanding of California Pizza Kitchen's collective energy use.

ENGIE Insight had already been processing the company's expenses for years and had developed highly detailed profiles of energy use trends for every restaurant in the company's portfolio, representing more than 250 locations. This vast database of energy consumption data enabled ENGIE Insight to quickly identify and prioritize areas for improvement. Data was integrated into monthly Energy Performance Reports (EPRs) that drill down to site-level detail. Facilities with similar energy requirements commensurate on climate, size and hours of operation were grouped for easy comparison. The EPRs allows users to compare site performance against portfolio averages as well as Department of Energy database averages.



At a Glance

Challenge:

Restaurants are among the biggest energy consumers of all types of commercial spaces

Results:

ENGIE Insight's monthly Energy Performance Reports made it possible to establish performance benchmarks, set goals and report very specifically on progress.



CASE STUDY

“These reports make it possible for our company to understand where we are and navigate where we can go,” says Coleman. “We were able to establish a performance benchmark, set goals and report very specifically on our progress.”

Coleman’s team put ENGIE Inisght’s EPRs to the test, using the data to identify the worst performing locations, analyze what site characteristics made them outliers in their group and put solutions in place that would drive their use down to the portfolio average.

The EPRs allowed Coleman to make smart decisions about behavioral changes and equipment upgrades. With better facility intelligence, the company was able to validate conservation efforts and begin targeting low- and no-cost projects, including:

- Requesting that all HVAC service providers conduct free HVAC inspections and tune-ups
- Switching to compact fluorescent light bulbs
- Adjusting temperature set points to maintain consistent results
- Closing window shades
- Running dishwashers only when dish trays are full, which reduces water, chemical and energy usage
- Installing low-flow aerators on hand sinks
- Performing monthly reviews of restaurant results to identify the worst performers

These conservation initiatives helped California Pizza Kitchen quickly reduce energy consumption, drive savings and report results.

At the end of December 2009, the company found that, compared to the previous year:

- Electricity usage had decreased by 4.3 percent
- Natural gas usage had decreased by 2.82 percent

California Pizza Kitchen’s energy problem was not uncommon. While they are experts in managing the basic costs associated with running their business, they lacked a fundamental understanding of energy’s impact on the bottom line and were unaware of the best actions to take to reduce energy costs. Once equipped with the right data, they were able to translate what was once a big unknown into big savings.

“This is just phase one,” says Coleman. “We’ll be overhauling a lot of our equipment to achieve greater energy efficiency, and with ENGIE Insight’s reporting tools, we’ll be able to show how much we save down to the last penny.”



See More

Gain broad visibility and precise insight into inefficiencies, with truth in data. We work with our clients to analyze resource use, target risks and inefficiencies with pinpoint accuracy, and model and measure past, real-time and future impacts.



Save More

Lower expenses and increase return on capital investments, with truth in results. Make better use of your capital, equipment, facilities and people by managing demand and lowering costs across more categories. Fund and extend efficiency programs to more sites and clients.



Sustain More

Build lasting advantages for the bottom line and environment, with truth in partnership. Change behavior among employees, clients and communities to manage and reduce carbon footprints. In turn, build a positive brand reputation, political capital and business value.

CONTACT US TODAY

1313 N Atlantic St #5000
Spokane WA 99201

800 791 7564

info.insight@engie.com

engieinsight.com

