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GOING GREEN:

A Piece of Cake

— by Bob Dillier

SBA Office of Marketing and Customer Service



To Warren Brown going “Green” means more than changing the icing color on his cupcakes.

The SBA’s 2006 Washington, D.C.-area Small Business Person of the Year, has taken steps to power his CakeLove bakeries and shops by sustainable means. So far Brown, who got his start baking with the help of SBA-guaranteed small business loans, has switched four of his six CakeLove locations over to 100 percent wind-generated electrical power.



“Wind power is the best way to go green,” he said. “It puts less carbon in the air and there’s less pollution than with coal-generated electricity.”

Brown said working through an energy broker made the process of going green easy. “They organized everything. It was painless and totally seamless. There was no change in power.” Brown explained that while many people think that power drops if the wind dies down, the power company generates wind from so many different places that there isn’t a drop-off.

Brown says going green results in saving green. “The nice thing about this is going green hasn’t cost me anything,” he said. “I’m doing online banking, recycling paper and other things. I can save time, money and paper.” He estimates that by recycling paper he needs to buy one less case of paper a year – a savings of \$100. Brown says CakeLove is recycling menus, using the back side of paper for notes, and looking for other ways to reduce, reuse and recycle.

“We’re looking closely at our spending habits,” Brown said. “We’re trying to reduce our consumption and streamline operations. It’ll save resources and save time, and I don’t know of any business owner who doesn’t want to do that.”

To get started, Brown suggested talking with local government officials about tax incentives and programs to help small businesses go green.

Many projects will require little expense. However, for those that require capital, SBA loan-guaranty programs can ease the way to go green.



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With a 50 percent SBA backed guaranty, and an average loan of \$35,000 with its maximum loan size of \$350,000—**SBA Express** is an excellent loan program to help small businesses adopt green practices. The *SBA Express* program offers a streamlined application process making it easier to apply for these loans. Even in a struggling economy, the 50 percent guaranty helps cut your credit risk while continuing to stimulate the economy and help our environment. Keep in mind, all of SBA’s 7(a) loan programs can be use by small businesses to fund green improvements.

Small businesses can also take advantage of SBA’s Certified Development Company (504) loan program to make significant capital improvements including extensive plant/office renovations to increase energy efficiency overall.

Savings small businesses make from adopting energy improvements, also include federal energy tax savings for the tax year of 2008.

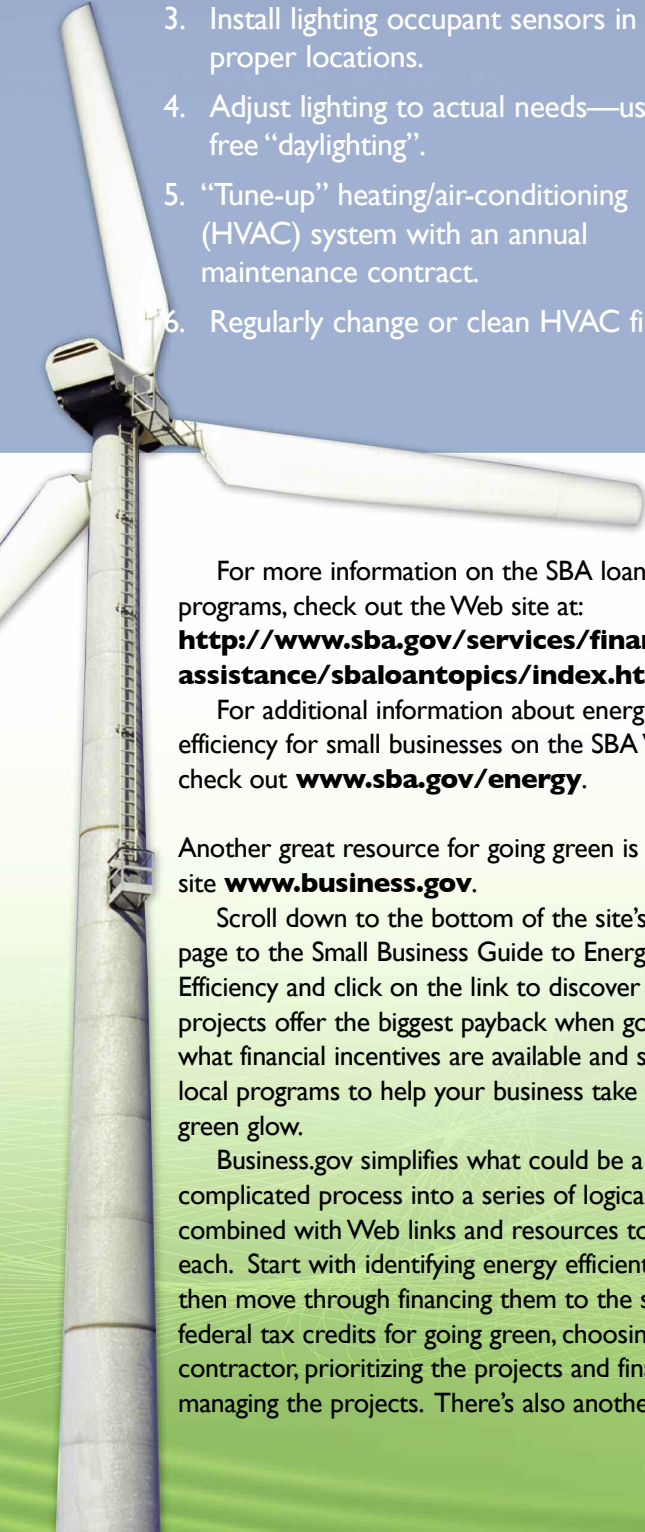
SBA LOANS CAN MAKE THESE ENERGY-EFFICIENT IMPROVEMENTS:

- Energy-efficient appliances
- Alternative fuel for vehicles
- Replacing transportation fleet with hybrid vehicles
- Purchase of high-mileage vehicles
- Energy-efficient doors, windows, skylights
- Increased insulation
- Increased efficiency, HVAC, heat pumps, geothermal energy
- Wind and solar power
- Energy-efficient power and light bulbs

ENERGY EFFICIENCY OPPORTUNITIES

There is no substitute for a comprehensive energy survey and analysis, but if a small business “doesn’t do anything else” here are some simple, high “return on investment” energy efficiency opportunities. These 12 “sure savers” include:

1. Turn off lights and equipment when not in use.
2. Buy ENERGY STAR qualified products.
3. Install lighting occupant sensors in proper locations.
4. Adjust lighting to actual needs—use free “daylighting”.
5. “Tune-up” heating/air-conditioning (HVAC) system with an annual maintenance contract.
6. Regularly change or clean HVAC filters.
7. Install a programmable HVAC thermostat.
8. Replace incandescent light bulbs with compact fluorescent light bulbs (CFLs), wherever appropriate.
9. Install LED (light-emitting diode) exit signs.
10. Control direct sun through windows, both summer and winter to prevent or gain heat.
11. Use ceiling fans for lower cost comfort.
12. Plug air leaks with weather-stripping and caulking.



For more information on the SBA loan programs, check out the Web site at: <http://www.sba.gov/services/financialassistance/sbaloantopics/index.html>.

For additional information about energy efficiency for small businesses on the SBA Web site, check out www.sba.gov/energy.

Another great resource for going green is the Web site www.business.gov.

Scroll down to the bottom of the site’s home page to the Small Business Guide to Energy Efficiency and click on the link to discover which projects offer the biggest payback when going green; what financial incentives are available and state and local programs to help your business take on that green glow.

Business.gov simplifies what could be a complicated process into a series of logical steps, combined with Web links and resources to support each. Start with identifying energy efficient projects, then move through financing them to the section on federal tax credits for going green, choosing a contractor, prioritizing the projects and finally, managing the projects. There’s also another section

of energy-efficiency tips for categories like food service equipment, heating and air conditioning, lighting, office equipment, vehicles and water conservation.

Brown is also taking a hard look at ways to manage refrigeration costs – a major expenditure for a bakery. “So much has to be refrigerated,” he said.

In its section on energy efficiency for restaurants and food service, Business.gov may have a solution to Brown’s quest to tame the refrigeration budget, along with other tips on going green.

Calculators at the site let you see how much money you can save with the various energy upgrades.

The section on state and local programs covers everything from Alabama’s incentives for renewables and energy efficiency to the small business energy audit program available in Wyoming.

A section on greening your business shows additional methods of implementing sustainable business practices to aid the environment. It covers such topics as Green Power and Renewable Energy; Air Pollution Prevention; New Building Design; recycling and water conservation.



There is information for all kinds of specific small businesses, including auto dealers, construction contractors, grocery and convenience stores, home-based businesses, restaurants, food service, retail stores, lodging and small manufacturers.

Nationally small businesses spend more than \$60 billion on energy each year. To help counter these costs, ENERGY STAR, a program of the U.S. Environmental Protection Agency, helps small business owners and operators improve the performance of their facilities while reducing energy costs. Small businesses that invest strategically can cut utility costs 10 to 30 percent without sacrificing service, quality, style or comfort – while making significant contributions to a cleaner environment.

You can take the first step toward energy efficiency by checking out the Energy Star Web site at:
<http://www.energystar.gov/>.

Once there, you can browse through products to improve energy usage, buildings and plants that manage energy efficiently and steps to take to improve your business “green” footing.

By becoming more energy efficient, small businesses help reduce global warming gas emissions and improve their own financial bottom line. Small businesses can typically save as much money and prevent as much pollution, per square foot, as large corporations.

OTHER RESOURCES ON THE ENERGY STAR SITE INCLUDE:

Putting Energy into Profits: This online guide is designed to educate and assist the small business community in achieving the benefits of energy efficiency. Whether you own your building or are a tenant, you want lighting, heating, air-conditioning, power for office equipment, and other services at the lowest possible cost. This guide can help identify cost-effective opportunities to upgrade building equipment and systems for bottom line savings. You can find the guide at this Web site:

http://www.energystar.gov/ia/business/small_business/sb_guidebook/smallbizguide.pdf.

Portfolio Manager—Measure and Track

Energy Performance: By measuring, setting goals, and tracking energy use, small business can gain control of, and manage energy expenses. Small businesses are eligible to use ENERGY STAR’s Portfolio Manager Tool to benchmark buildings and track savings. For more information, visit

<http://www.energystar.gov/benchmark>.

Technical Assistance: Call toll-free at 1-888 STAR YES (1-888-782-7937) to speak with energy experts. Or e-mail your questions to **epasmallbiz@energyandsecurity.com** ENERGY STAR assistance ranges from calculations on energy costs and savings to answering questions about specific technologies.

ENERGY STAR Small Business Network

E-Update: Small businesses that join the Network receive a free monthly update by email that can save them valuable time by highlighting the latest news and information on energy efficiency pertinent to small business owners.

RECOGNITION FOR ACHIEVEMENTS

Annual Awards: Each year, the ENERGY STAR Small Business Network recognizes outstanding small business efficiency upgrades across the nation that are saving energy, money and preventing pollution. These national award winners receive engraved plaques, and local and national public recognition as great examples of financial and environmental stewardship. To apply please visit **www.energystar.gov/smallbiz** and click on “Apply for the Annual Awards.”

To help find special offers and rebates in your area, Energy Star provides a special, zip-code driven tool at **http://www.energystar.gov/index.cfm?fuseaction=rebate.rebate_locator**.

By taking that first step on the path of going green, you can join Warren Brown and a host of others helping to wisely use the planet’s resources.