

# PROVISIONS FOR THE FUTURE

Lowering food prices by lowering energy consumption



## ALDI

### BACKGROUND

Since ALDI Inc. opened the doors of its first U.S. store in 1976, the grocery landscape has changed dramatically. Not only is there competition from new grocers, but also from other retailers, such as drugstores and discount stores, that are now vying for market share. This international grocery chain remains successful, despite fierce competition, by offering the highest quality products at the lowest possible prices.

That might sound simple, but to deliver “honest to goodness savings” to its customers every single day, ALDI must be diligent about keeping overhead costs down. That includes merchandising products in their shipping boxes, having customers bag their own groceries and providing a refundable 25-cent cart rental system to save the labor costs associated with collecting carts.

### A POWERFUL SAVINGS

Of course, one of the grocer’s biggest overhead costs is energy. Over the past three or four years, ALDI, which operates 9,000 stores worldwide, has placed increased emphasis on minimizing its carbon footprint. Using less energy also helps bring down expenses, which in turn, keeps prices low.

### ALDI AT A GLANCE

- One of the largest privately-owned grocery chains in the world
- More than 1,200 stores in the U.S. with 83 stores in Duke Energy’s service area
- 17,000-square-foot stores (average size)
- Annual energy usage in Duke Energy’s service area: more than 42 million kilowatt-hours



When ALDI went from T12 to more energy efficient T8 lights, the incentives earned from Duke Energy's Smart \$aver® program allowed the company to fast-track this initiative. Those monetary credits even expanded the scope of the project, allowing additional stores to benefit from the retrofitting. Not only has the lighting improvement cut energy consumption, but it has also reduced the stores' relamping costs.

Other efficiency measures that have qualified for the Smart \$aver Incentives program include:

- Replacing freezer door lights with new LED lights
- Adding anti-sweat heater controls on refrigerated cases
- Installing nighttime display covers for open coolers
- Equipping refrigeration fans with new high-efficiency ECM motors.

"ALDI aims to achieve life-of-equipment savings over first-cost capital savings," said Todd Bonnett, Director of Real Estate of ALDI's Salisbury Division. "While some of the energy efficient equipment we invest in is not required by energy codes, it does lower our operating expenses."

ALDI has also leveraged Duke Energy's Custom Incentives program to implement energy efficiency changes. "The Custom Incentives program allows us to evaluate improvements that we may not normally look at," noted Bonnett. One example is testing of high-efficiency HVAC units in the retailer's new prototype stores. Because there was some debate about whether the payback would justify the higher cost of these units, Duke Energy's Custom Incentives succeeded in tipping the scales in their favor. The company is now considering installing these units in remodeled stores as well.

"I've appreciated Duke's personal attention in assisting with the incentives process," Bonnett added. "They've had great follow-through." ALDI was given a choice of energy providers for a number of its locations in North and South Carolina. The value that Duke Energy has brought to the table – in both incentives and service – has resulted in the retailer choosing Duke Energy for all of those locations.

"Duke has been a valuable partner to help us meet our energy goals in this part of the U.S., and we've been able to share those energy-saving ideas throughout the ALDI grocery chain."

*Todd Bonnett*  
*Director of Real Estate*  
*ALDI Inc. – Salisbury Division*

## RESULTS

As a result of the energy efficiency steps ALDI has taken, Duke Energy estimates the retailer's annual energy savings to be more than 10% of kilowatt-hours. This reduction has lowered power bills, as well as earned the grocer valuable Smart \$aver incentives.

Since most of the lighting and mechanical equipment is the same across all of the retailer's stores, these incentives are also impacting the company's future decisions. That includes the development of a ready-to-implement package of energy efficient equipment for new stores. According to Bonnett, "When we find ways to retrofit and make changes to our equipment, we can apply it to a lot of locations."

## HOW CAN WE HELP YOUR BUSINESS GROW?

Duke Energy offers smart, customized energy solutions to help our business customers identify ways to improve efficiency, and save energy and money. We put our expertise to work for you, with technical support and practical solutions that improve your electrical infrastructure, energy use and reliability. The Smart \$aver Custom Incentive program rewards large-business customers for installing new energy systems and making other measurable energy efficiency improvements. With Duke Energy cash incentives, businesses can offset their up-front costs as they improve their energy savings. To learn more, contact your Duke Energy account manager or visit [www.duke-energy.com](http://www.duke-energy.com).

