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Conservation ahead of the curve

Franklin Energy benefits from renewed demand for energy savings

The Business Journal of Milwaukee - by [Pete Millard](#)

Paul Schueller was selling energy conservation programs in the early 1990s when natural gas and electricity prices were low and relatively few businesses paid much attention to saving money on energy.

Schueller's company, **Franklin Energy Services**, survived the cheap-energy era by appealing to businesses interested in energy efficiency and environmentalism. In the past five years, as natural gas and electricity prices soared, all businesses are looking for ways to save energy. Franklin Energy Services is one of the energy consulting firms businesses turn to for energy conservation advice.

The 17-year-old Port Washington company has more than doubled its sales since 2000 and is on a track to expand beyond its existing markets of Wisconsin, Iowa and Minnesota into California, the Pacific Northwest and the southwest United States. Schueller expects his firm to double its revenue again within five years.

Franklin Energy's revenue for 2006 will reach more than \$5 million. For the past six years, the company has grown an average of 15 percent a year. The company's payroll has grown from 30 in 2000 to 50 today.

To make room for future growth, Franklin Energy acquired the former St. John's Lutheran Church near downtown Port Washington in late November 2004 for \$300,000. The 15,000-square-foot church was remodeled at a price of \$400,000 and is now the new home of the company. To offset the cost of buying and renovating the church, Franklin sold the former rectory and two half-acre lots, where homes have been built.

The company did not have the room to expand in its old offices at 312 Franklin St. in Port Washington. Franklin Energy received financing from Ozaukee State Bank, Port Washington, to enable the company to acquire and redevelop the church property.

State contract

Franklin Energy has a contract that is reviewed annually with the Wisconsin Department of Administration energy conservation program called Focus on Energy. Franklin Energy administers and implements conservation and renewable energy programs in commercial, industrial facilities and affordable housing projects for **Focus On Energy**.

Franklin Energy is paid either an hourly rate for its audits and surveys or a rate based on the performance of its conservation programs. The more energy and money saved, the higher Franklin's fee.

Since July 2001, Focus on Energy programs have enabled state businesses and residents to cut their utility



Photo: Scott Paulus

Paul Schueller ...
"Companies are finally buying into energy conservation not because its fashionable, but because they can save money."

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bills by more than \$98 million by reducing energy consumption by 811 million kilowatt hours of electricity and 40 million therms of natural gas.

"Companies are finally buying into energy conservation not because its fashionable, but because they can save money," said Schueller.

More than 50 percent of the energy-saving programs include installing new lighting and energy control systems, said Schueller. Manufacturers can save money on their energy bills by replacing old air-conditioning units, boilers, water heaters and variable-speed drives.

Franklin Energy has a reputation for helping educate companies on the value of energy programs and demonstrating how companies can overcome obstacles to improve energy efficiency, said Kathy Kuntz, the director of energy programs for Focus on Energy.

"Schueller brings credibility to the conservation market because of his company's history in the industry," said Kuntz.

Schueller started the energy consulting firm after resigning from **Wisconsin Natural Gas Co.**, Racine, in 1989. Wisconsin Natural Gas was acquired by **Wisconsin Energy Corp.**, Milwaukee, in 1994.

We Energies, the energy utility subsidiary of Wisconsin Energy, is one of Franklin Energy's 11 utility customers in the Midwest. Nearly 20 percent of Franklin Energy's staff dedicate all their time to conservation and efficiency programs for We Energies customers.

Pioneering name

The company was incorporated in 1989 as Schueller Energy Consultants and renamed Franklin Energy Services in 1994 to honor Benjamin Franklin, a pioneer in the energy field who designed several energy-saving appliances and experimented with electricity.

Benjamin Franklin was also an advocate for environmental protection and the efficient use of resources. The same beliefs serve as the basis for Franklin Energy's corporate philosophy, said Schueller.

The majority of Franklin Energy's work is for small manufacturers and commercial property owners on behalf of We Energies and Focus on Energy. Franklin conducts energy audits and analyses and then coordinates the work with contractors to install lighting systems, energy management control systems or other controls and equipment to reduce natural gas and electricity loads.

"Franklin Energy is the face of energy conservation in southeast Wisconsin," said Mike Potts, an executive vice president of **Orion Energy Systems**, Plymouth, a manufacturer of lighting and energy control systems.

When natural gas and electricity prices go up, utility customers are prompted to take action to reduce energy, said Dave Ciepluch, chief energy efficiency strategist for We Energies.

We Energies is mandated by the Wisconsin Legislature to find ways to save 55 megawatts of power as a condition for allowing the utility to go forward with its \$3.3 billion Power the Future plan.

A group of Franklin Energy engineers and consultants are beginning to market the firm in California, the Southwest and Northwest, said Schueller. The company is going west because of the willingness of business owners to embrace conservation both for environmental reasons and government regulations.

"For the first time since starting the business, I am less concerned about surviving and more optimistic we can grow in other regions," said Schueller.

FRANKLIN ENERGY SERVICES

Address: 403 W. Foster St., Port Washington

Web Site: www.franklinenergy.com

Founded: 1989

President: Paul Schueller

Annual revenue: An estimated \$5 million in 2006

Employees: 50

Business plan: Consult with energy utilities and state-sponsored conservation programs that help industrial and commercial businesses reduce energy consumption

Growth plan: Open new offices in California, the Pacific Northwest and the southwestern United States

LESSONS LEARNED

Reason for starting the company: "I was looking for a career that had social and environmental benefits."

Biggest mistake: "Not growing as fast as we could have and not taking the company national sooner."

Greatest frustration: "Getting companies to understand the importance of energy conservation. Most won't act until they get hit in the pocketbook."

Goal yet to be achieved: "I want to work in the field less, giving more opportunity to employees. I want the business to run well with less input from me."

Biggest worry: "Hiring the right people who allow us to grow."

Business philosophy: "Allow our people the freedom to make decisions."

Answers by Paul Schueller

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