



OCTOBER 2010 EDITION

FPSIE NEWS

ADVERTISING OPPORTUNITIES NOW AVAILABLE TO FPSIE SPONSORS



FPSIE Education Center
Sacramento, CA

Thanks to all of you who have responded so positively to the previous FPSIE newsletters! The staff and Board of Directors of FPSIE are excited because of the interest from readers about possible advertising opportunities in future newsletters. Accepting advertisements is an opportunity for FPSIE to raise needed funds and to recognize those who want to help in this funding effort.

The FPSIE Board of Directors has authorized advertising in the FPSIE Newsletter and staff has created advertising opportunities for full-page (8½" X 11") \$275, half- page (5½" X 8 ½") \$150, and quarter-page (4¼" X 5½") \$90, advertisements. In this newsletter on page 6, you can see the first paid advertisement. An electronic version for advertising requests will also be available soon.

The first ten (10) advertisers to purchase ads in each edition of the newsletter will receive a free ad posting on the FPSIE Web site. **The deadline for submitting an advertising request will be the 20th of the month before the intended advertisement is to appear.**

Your advertisement in the FPSIE Newsletter will ensure that students and others in the industry who receive the newsletter are aware of your product or services.



(Reprinted with permission of Aqua Magazine)

Author: Scott Webb - Executive Editor of Aqua Magazine

SELLING PUMP EFFICIENCY

Why it's good, and why it's good for you

In some states, efficient pumps and circulation systems are a mandate. Elsewhere, they're just a great idea, profitable for sellers, consumers and the country as a whole.

They profit consumers by dramatically lowering their utility bills, providing them a quick return on their investment and then a handsome, ongoing bonus. They profit the seller with a nice margin on the item itself, plus, in some places, a fat rebate check. And they profit the country by defusing its energy supply crisis and lowering pollution levels.

Everybody wins with efficient pumps. But even the best ideas go nowhere without a good salesperson to get the point across. It's the pump customer that must agree to the deal to make these sunny projections a reality, and consumers can be balky, especially in an iffy economy.

They're often unaware. Many of them don't even read AQUA Magazine. Mention Title 20 and they'll probably shrug. They don't even know what they don't know, but they do have a clear idea of what they're paying for electricity each month, and they can be made to understand how much of that might be saved with a little investment up front.

Now, getting someone to buy something – even

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Mark Your Calendars! Aquatic Energy Auditor



**Course presentation:
Thursday
November 9, 2010
8:00 AM/5:00 PM**

SELLING PUMP EFFICIENCY

(Continued from page 1)

if it is to their advantage — is not as easy as the business articles in AQUA often imply. Especially if the customer believes his or her pool is fine just the way it is.

But that's the lucrative and important mission for the industry. What follows are some points which may help convince a pool owner to pay for a cost-saving, energy-efficient solution for circulating water, whether you are a service pro urging an upgrade, a retailer talking replacement or a builder offering options.

Selling Efficiency Takes A Salesperson

The industry is still in transition toward its inevitable energy-efficient future. It only recently took an interest in the topic at all.

In a sense, the pump efficiency movement began when the industry discovered the centuries-old-but-still-new-to-us affinity law.

Before that, before anyone cared about efficiency, good pump selling meant getting the customers to spring for the biggest, strongest pump they could afford. More was good, and too much was great.

Thankfully, due to a diligent education effort spanning decades, the industry as a whole has begun to discover the affinity law — an immutable law of physics, old as creation itself — which tells us that when it comes to forcing water into a conduit, more is rarely good, and too much is an efficiency disaster. The harder you cram that water into the pipe, the harder it fights you; it's a loser's battle which drives energy costs through the roof.

The affinity law says that when you cut pump speed in half, flow drops to half, but power usage drops to *one eighth*. Sure, you have to run it twice as long to move the same amount of water, but that still leaves you using one fourth ($2 \times 1/8$) the energy. You've filtered the same volume, but you've saved 75 percent of the energy and cost, obviously a huge number.

Actually, that 75 percent is the result you get in the lab; in the real world, the energy savings are huge as well, but due to some energy losses in the system, the savings are slightly lower.

Fast water transit is the problem. The faster water moves through plumbing, the more friction is created and the more obstinate the plumbing becomes. To make this concept as straightforward as possible, the industry is moving toward a flow speed limit of 6 feet per second. This speed limit is included in the new California pool regulations and will soon be picked up by Florida, Texas, and no doubt, a good number of the other 47 states.

Price To Fit

A good way to slow the water down is by slowing the pump speed or rpm, which a consumer can do with a variable-speed pump, notes Rodney McCall, national IntelliFlo field applications specialist, Pentair Water Pool And Spa.

"With variable-speed pumps you've got several things working for you. Not only can you reduce the speed by half, run it twice as long, and you are still only paying a quarter of what you did before for electricity, but by running the pump longer, you distribute chemicals longer, you skim the pool longer, and you end up with cleaner water," he says.

"Or you can use a two-speed pump," says Steve Gutai, pool products manager at Jandy in Petaluma, Calif. On a two-speed pump's lower, 1,725-rpm setting, flow is cut in half compared to the standard 3,450-rpm setting, and provides cost savings approaching 75 percent as mentioned in the affinity law example above.

In the past, two-speed pumps lost some internal pump efficiency at the lower setting, but dramatic improvements have been made in recent years, Gutai says. "There are new two-speed motors coming out from A.O. Smith, for instance, that are much higher in efficiency in the low-speed setting."

The two-speed provides a crucial price point for consumers who may gag at the outlay necessary for a variable-speed pump, he adds. "You can buy a two-speed pump and control it for about half the price of a variable-speed pump."

"On the other hand, when you sell a basic variable-speed pump, \$750 out of distribution, by the time it reaches the customer's pool, it's at least \$1,500 to \$2,000."

"The two-speed pump will get you a good amount of power consumption savings for about half the cost."

At the lowest price point, even a low-horsepower single-speed pump can provide savings. It's true that all single-speed pumps operate at the same rpm, but lower-horsepower single-speed pumps have smaller diameter impellers, which results in lower exit velocity and friction loss.

What Is A Kilowatt?

Matching the price point to the customer is a matter of asking questions and listening — basic sales techniques that are honed over time. For builders and retailers, these skills are part of the job, but it's tough for a service professional who has made a living fixing and cleaning pools to suddenly acquire the savvy of a good pump merchant.

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FPSIE NEWSLETTER PUBLICATION SCHEDULE

FPSIE's Board of Directors and staff have decided to set the number of newsletter publications at six (6) per year. We will finalize this year with a December edition. Then in 2011, we will schedule as follows:

SPRING EDITION March
SUMMER EDITIONS May - June - July - August
FALL EDITION November

We feel this will adequately keep our readers up-to-date on FPSIE news and other educational developments.

As time goes on, please share your ideas with us, so we can continue to give you and other readers the type of information you want and need.

CLASS & SEMINAR SCHEDULE *

2010

Oct. 31—Nov. 5...Int'l Pool/Spa/Patio Expo, Las Vegas, NV

Nov. 9.....FPSIE (AEA) - Aquatic Energy Auditor

Nov. 22- 23.....NSPF (CPO) - Certified Pool Operator

Dec. 2.....APSP (CMS) - Certified Maintenance Specialist (Preview & Testing)

Dec. 6.....FPSIE - Basic Electricity

Dec. 9.....FPSIE - Basic Hydraulics

Dec. 14.....FPSIE (AEA) - Aquatic Energy Auditor

Dec. 20—21.....NSPF (CPO) - Certified Pool Operator

2011

Jan. 4—5.....NSPF—CPO—Certified Pool Operator

Jan. 6.....FPSIE- AEA—Aquatic Energy Auditor

Feb.17-18.....NSPF—CPO—Certified Pool Operator

Feb. 23.....FPSIE- AEA—Aquatic Energy Auditor

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<http://www.fpsie.org/trade-2/course-registration>

Or register for one of FPSIE's Online Webucation Courses

*** visit our website for more dates**

SELLING PUMP EFFICIENCY (Continued from page 2)

As Jeff Farlow, program manager for energy initiatives at Pentair, a man who trains service techs to do this very thing, puts it, "It takes a salesperson with some seasoning to approach customers with the concept of taking a perfectly functional pump and throwing it away and giving up maybe \$2,000 to upgrade their pool pumps."

"Selling energy efficiency really means communicating to customers how they can replace their pool pump and make money on the deal. In doing so, you have to talk utility bills, which have a language all their own."

It's important to understand the difference between a kilowatt-hour and a kilowatt, Farlow says. "That's a big one, because everything builds on those two terms."

Kilowatt consumption tells you the *rate* of energy usage, and a kilowatt-hour is the *quantity* of energy consumption. It helps to use a speedometer-odometer analogy.

The speedometer in your car tells you how fast you're going — say, at 50 mph at a particular instant — while your odometer tells you how many miles you've driven.

The speedometer reading is like the number of kilowatts a pump is using at a single instant, and the odometer reading is analogous to the number of kilowatt-hours you've used. Of course, just as odometer mileage is a good way measure the fuel your car has consumed, kilowatt-hours measure total electrical consumption, and they're what the utility charges you for.

So you can consume a lot of kilowatts for a short amount of time, or a small number for a long period of time, and you will have consumed the same quantity, Farlow says. "And that's what lets you calculate the cost of operation for a consumer. And with the cost of operation of an existing piece of equipment contrasted with the cost of operation of a new one, that's where you start to see your annual savings and return on investment."

The Cost Of Doing Nothing

Return on investment, of course, is the main interest of customers, and the key to convincing them to cough up the money for an energy-efficient retrofit. If the pump is to replace a functioning existing pump, the customer is often resistant to the idea, preferring to wait until the current pump fails.

That's where Farlow gets into what he calls "the cost of doing nothing."

Take an existing pump consuming \$1,000 worth of electricity per year, he says. In five years it will cost \$5,000 to run that pump.

3 The Foundation

That's the cost of doing nothing — versus a new pump that may only cost \$200 a year to operate.

"So, just looking at energy costs, you're looking at \$1,000 over five years with the new pump compared to \$5,000 with the old one. That's a \$4,000 difference, offset by the upfront retrofit cost of perhaps \$1,500."

Clearly, if it saves the customer \$800 a year, and it costs \$1,500, it will take less than two years to repay the investment; after which, the customer is coming out ahead.

"It all depends on your electricity rate," Farlow says. "If somebody's spending 20 cents a kilowatt-hour, it's going to pay him back twice as fast as somebody spending 10 cents a kilowatt-hour. It's hard to put national averages on it, but there is quite a variance. The highest cost of electricity is probably in California, especially during peak use. They offer tiered rates, where the more you use, the more it costs. They have some rates that approach 50 cents."

The Great Rebate

Depending on utility rates, a customer's ROI on a new pump will come very quickly in comparison with other products such as windows, refrigerators and furnaces. In addition to that strong incentive, a number of states and utilities offer very healthy rebates, some that provide money for both the homeowner *and* the installer.

These seem to run about \$200, although some are considerably higher. For instance, Gainesville Regional Utility in Florida offers up to \$350 to the consumer and another \$50 to the dealer or installer that puts it in.

Why are states and utilities pushing pumps so hard? It prevents them from having to build new power plants. If they can reduce demands on the existing infrastructure, economic growth can proceed without large new investments.

"After the other five major fuels, energy efficiency is sometimes called 'the sixth fuel,' and it's a much more cost-effective one," Farlow says. "It's just so expensive and political to build new power plants now. Nobody wants a power plant in their backyard anymore. There's so much opposition. So there's significant motivation to avoid that."

Farlow notes that the utility may have to pay up to \$10,000 for the infrastructure to add a kilowatt of output, depending on the type of plant they build. It makes much more sense to pay a consumer \$200 to obviate the need for it.

Making The Case

With such incentives and commitment to

(Continued on page 4)

SINCERE THANKS

A round of applause and sincere thanks goes out to all of our wonderful supporters who have made the training facility possible. It is their dedication that has made FPSIE a success. In their honor, we will continue providing education for our industry.

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We are now in the third phase of development. If you would like to donate time, materials or funds for any project, please contact Michael Orr to discuss the countless opportunities.

Be sure to stop by FPSIE Booth #3706 at the International Pool | Spa | Patio Expo Show in Las Vegas, Nevada, November 3-5 to pick up a 2010-2011 Course Schedule and more.

SELLING PUMP EFFICIENCY (Continued from page 3)

making the transition to efficient pumps, it's clear that sooner or later, that's where the industry will end up.

The pace of change depends on the ability of our salespeople to make a clear and persuasive case.

Some are clearly doing just that.

"When you see somebody that really gets it, it's amazing what they can do," Farlow says. "I've seen folks just abandon their whole service business to focus on pumps. One guy I talked to said the rebate program has become his own little ATM machine."

"When you get it and you can make a compelling case, and the pump delivers on your promise, it's a good deal for everybody."

Sidebar: Energy Star

When you buy a new appliance for your home, it may come with an "Energy Star" label that tells you it's efficient. Eventually, there could be the same type of endorsement on pool pumps and other equipment.

It's still the concept stage, and at least a couple of years away, but there is support for such an idea, says Steve Barnes, program manager for safety and compliance, Pentair Water Pool And Spa, and chairman of APSP's technical committee.

"This idea came from builders that have been using these practices for many years but they can't distinguish themselves in the eyes of their customers," Barnes adds. "They need something to show a customer the reason their pool may cost more upfront but saves money in energy over the long run. Because everyone says they're green."

The program as envisioned would give a builder or installer official Energy Star recognition on a pool for using the most efficient pumps, heaters, piping and so forth.

"We don't want to force anyone to use the best of everything," he says, "but as an industry we would be well served to set a target that shows a builder how to be really green — instead of adding a green leaf to their business cards."

- Scott Webb

SPEC ALERT

October 6, 2010

GOVERNOR SIGNS SPEC SUPPORTED WORKERS' COMPENSATION LEGISLATION

Last week, Governor Arnold Schwarzenegger signed SB 1254 by Senator Mark Leno (D-San Francisco) into law.

SB 1254 authorizes the registrar of the Contractors State License Board (CSLB) to issue a stop order to any unlicensed or licensed contractor who as an employer has failed to secure workers' compensation insurance coverage for his/her employees. The bill also establishes procedures to request a hearing to protest a stop order, and authorizes the Director of the Department of Consumer Affairs to designate 12 persons as peace officers for assignment to the special investigations unit of CSLB. Currently, the CSLB has only 3 peace officers.

The deteriorating economy has made it difficult for those engaged in business to make ends meet. Workers' compensation costs have often been cited as a primary example of the high costs of doing business in California. In some cases, legitimate contractors have gone out of business and have had to lay off their employee workforce. In some cases, those former employees who do not hold contractor licenses seek to work in the building or home improvement industry, and ultimately become unlicensed contractors. It naturally would follow that those contracting without a license would be unlikely to obtain workers compensation insurance for the workers that they may employ. This cuts the cost margins for the unlicensed contractor, and often allows the unlicensed contractor to undercut legitimate, licensed contractors on price.

Failing to secure workers' compensation insurance jeopardizes not only the employees of the unlicensed contractor, but also the consumer (often a homeowner). If a worker is injured on the job and there is no workers' compensation insurance, the homeowner may be held liable for medical costs. Often, homeowners insurance does not cover uninsured workers in such cases.

"SPEC supported the efforts of the Legislature to better enforce the workers' compensation

laws and protect consumers," said John A. Norwood, President of SPEC.

SB 1254 was also strongly supported by the CSLB, California Chamber of Commerce, State Building and Construction Trades Council, California Labor Federation and several other business trade associations.

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About SPEC

SPEC, the California Spa & Pool Industry Education Council, serves as the statewide public policy representative for the pool, spa, and hot tub industry. We advocate on behalf of industry interests before the California Legislature and state and local regulatory agencies, and for individual members dealing with enforcement issues. Working daily on the industry's behalf, we have an unmatched track record in successfully negotiating and fighting against unreasonable and costly legislation and for enforcement of unlicensed contractor laws. SPEC promotes the highest standards of professional conduct in pool construction, service, and repair, and seeks to educate the public on the proper maintenance and safe use of swimming pools, spas, and hot tubs. For nearly 40 years, SPEC has been the only organization registered to lobby at the State Capitol on behalf of the pool, spa, and hot tub industry. SPEC is funded by membership donations. For more information on SPEC and legislation we are watching, visit www.calspec.org, or call 916-447-4113.

Mark Your Calendars!
Certified Pool Operator





Course presentation:
Monday-Tuesday
November 22-23, 2010
8:00 AM/5:00 PM

Scholarship Opportunities for FPSIE Courses

Manufacturers and utility companies have purchased FPSIE Education Gift Certificates (see sample below) that pool/spa professionals can use towards tuition for FPSIE courses. Students needing tuition assistance are encouraged to apply for one of the certificates by telephoning local manufacturer sales representatives and/or local utility company representatives to the pool/spa industry. Additionally, trade association members should check with association management for participation in this Education Gift Certificate Program. IPSSA, for example, promotes energy-efficiency education and is offering \$100 certificates to the first 100 IPSSA members who register for FPSIE's Online *Aquatic Energy Auditor Course*. If you need point-of-contact information, call *FPSIE* at (916) 922-8895. Please have the name of the manufacturer that you support most and/or the name of your local utility company available when calling.

Sample 111111

Sacramento Municipal Utility District
2010 Education Promotion



\$150

Education Gift Certificate

Courtesy: Sacramento Municipal Utility District

This Education Gift Certificate will be honored by FPSIE, Inc. towards tuition for the Aquatic Energy Auditor course taught by FPSIE, either at the FPSIE Education Center or on-line. This certificate has no cash value.

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