



Huy Fong Foods, Inc.

Giving Back to the Community by Saving Energy

When David Tran, owner of Huy Fong Foods, Inc. — manufacturer of hot sauces, including the highly popular Sriracha Hot Chili Sauce — needed more space to accommodate increased product demand, he found an ideal real estate parcel in Irwindale, CA. Continuing years of dedication to his business, he worked tirelessly in designing a state-of-the-art 650,000-square-foot production and distribution facility, featuring extensive automated machinery.

In doing so, he found a supportive partner in our team, which connected Tran with energy efficiency (EE) and demand response (DR) programs — an obvious “win-win” for his company. Our programs help Huy Fong Foods significantly lower costs by maximizing efficiency and cutting energy use during peak-demand periods, which also assists in relieving stress on the electricity grid for his community.

The Dream Begins: A New Opportunity

Tran’s commitment to reducing energy use stems from more than just a desire to save money.

Born in Vietnam, where he began producing hot sauce bottle by bottle in

1975, Tran made the decision in 1979 to leave the, by-then, communist country on a freighter. When no nation other than the United States accepted Tran, he settled in Southern California and began a hot sauce-making business in a 5,000-square-foot building near Chinatown in downtown Los Angeles. So began his American dream.

“My motivation for reducing energy use furthers my staff’s and my own commitment to sustainability, environmental protection, and our community, and provides a thank you to the United States for allowing me to immigrate here,” Tran said.

Energy Efficiency Savings: 1.4 Million kWh Yearly

As a first major step in collaborating with us on mutually beneficial EE programs, Tran submitted his new facility’s design vision to Savings By Design (SBD). This statewide program (administered by California’s investor-owned utilities) provides incentives and other resources to encourage high-performance, non-residential building design and construction.

Project Overview

SCE Programs Utilized:

- Savings By Design (other energy-efficient lighting upgrades)
- Time-of-Use Base Interruptible Program
- Economic Development Services

Results:

Annual savings of over **1.4 million kWh**

Annual savings of more than **1.4 million kilowatt hours (for energy efficient facility and lighting upgrades), with \$41,400 in incentives**

Yearly bill credits of **\$109,000 from demand response participation**

Over **150 jobs saved in Southern California with the assistance of SCE’s Economic Development Services**

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David Tran
Owner
Huy Fong Foods

To be eligible for SBD incentives, facilities must exceed the requirements of Title 24 — California’s energy efficiency standards for residential and nonresidential buildings — by at least 10%. Huy Fong Foods installed just over 600 energy-efficient fixtures — including T5 HO’s, compact fluorescents (CFLs), T8s, and more — exceeding the Title 24 code by an astounding 74.2%. The project received \$41,400 in incentives, with an annual savings of more than 1.4 million kilowatt-hours.

Tran, though, wanted to take it even further. Title 24 required a minimum 2% skylight-to-roof ratio for the new plant building, but Tran’s records show he upped that to 7%, using vented model skylights. The large number of skylights provides more day lighting and dramatically reduces lighting reliance. And the venting feature enables the company to operate without virtually ever needing to turn on its warehouse air conditioner, further saving energy, money, and the environment.

Demand Response Bill Credits: \$109,000 Annually

Once the new facility was up and running, our account manager worked with the company to demonstrate the financial and social benefits of DR. As a result, in 2014, Huy Fong Foods joined the Time-of-Use Base Interruptible Program (TOU-BIP).

TOU-BIP provides monthly bill credits for reducing energy demand to a pre-determined level when a program event is called. This load reduction supports electric grid stability and reliability, helps reduce the possibility of power outages, and lessens the company’s carbon footprint.

During a TOU-BIP event, Huy Fong Foods lowers its energy demand to just 200 kilowatts by shutting down its production line and moving necessary work to off-peak hours. In return, the company now receives \$109,000 annually in bill credits.

The Dream Continues: The Reality of Success

None of this would have been possible without our Economic Development Services (EDS), which provides multiple no-cost resources to help businesses reduce operating costs, become more competitive, and remain in California.

In Huy Fong Foods’ case, the company faced challenges with local permitting issues. EDS developed a targeted Economic Impact Analysis (ECIA) with the company’s forecasted impact on job growth, tax revenue, and economic output potential. Along with other partners, EDS’ work allowed Huy Fong Foods to resolve the permitting issues and stay in Southern California, keeping more than 150 jobs in the area.

David Tran remains grateful. His California dream — and successful reality — live on.



To learn more about SCE energy management solutions, ways to reduce your energy usage, and manage your energy costs, visit sce.com/foodprocessing or call your SCE Account Manager.

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