

## **Choice, Chevron, Tharaldson Form Energy Alliance To Reduce Costs, Consumption For Hotels**

PRNewswire  
SILVER SPRING, Md.

Choice Hotels International, one of the world's largest lodging franchisers, has formed an alliance with Chevron Energy Solutions(CES) and Tharaldson Energy Group to help Choice franchisees across the US to lower energy costs and reduce energy consumption.

Chevron Energy Solutions, a nationwide provider of energy management services to major businesses and institutions, will work with Choice franchisees to develop energy reduction and cost management solutions. These can include installation of high-efficiency lighting, heating and cooling equipment; improved ventilation systems; water conservation measures; laundry optimization systems; and power supply upgrades, as well as energy rate analysis; bill processing, validation and payment; and customized reporting. Tharaldson Energy Group (TEG), an energy-purchasing consortium developed by hospitality industry leader Tharaldson Enterprises, will negotiate cost-efficient energy supply contracts for franchisees in deregulated areas. TEG also provides Internet-enabled resource accounting services that allow accurate tracking of utility usage as well as benchmarking against industry averages.

The alliance will make its services available to more than 3,100 U.S. properties franchised by Choice under its Comfort, Quality, Econo Lodge, Sleep, Clarion, Rodeway Inn and MainStay Suites brand names.

"At roughly five percent of total operating costs, utility costs have long been accepted as inevitably fixed, primarily because of lack of expertise in that area," said Dan Rothfeld, senior vice president, e-commerce and emerging business opportunities at Choice. "Looming deregulation, coupled with technological advances, prompted Choice to examine energy use and costs and to determine a way to streamline both.

"In Chevron Energy Solutions and Tharaldson Energy Group, two leaders in serving the hospitality industry, we have found the expertise needed to build a cost-efficient, energy saving program that can result in significant savings to our franchisees," Rothfeld said. "These savings go directly to the bottom line."

Information on the Choice Energy Alliance can be found at <http://www.choicebuys.com/>, the proprietary e-procurement internet site developed by Choice Hotels. Once a franchisee signs on, an initial "energy audit" of the property will be conducted by Chevron Energy Solutions engineers that will highlight potential energy reduction and management solutions as well as billing management strategies for energy cost reduction. The audit report will specify potential savings and investment required. Upon agreement by the franchisee to implement the projects, CES will waive the initial audit fee, and a cash bonus will be awarded at the time the work order is signed.

"We're delighted to be able to offer solutions that can lower a hotel's energy costs dramatically and increase guest comfort as well," said Jim Davis, president of Chevron Energy Solutions. "For example, new electronic hot water systems can ensure that guests on the upper floors will always receive hot water on demand, while high-efficiency dimmer switches can provide instant flexibility in lighting levels. These solutions enhance the guest's hotel experience, yet consume less energy than standard equipment. Using our services, hotels can expect to reduce their energy-related consumption by 15 to 35%."

In states where the sale of energy to end-users is deregulated, TEG will collect energy consumption data and negotiate energy supply contracts with competitive energy service providers on behalf of participating franchisees. By pooling consumption, TEG is able to negotiate more cost-effective rates than hotels could negotiate on their own.

"We look forward to assisting franchisees in lowering their overall energy costs through our experience as the leading energy purchasing consortium in the hospitality industry," said Michael Vaughan, chief executive officer of TEG. "Across the nation, each Choice hotel will benefit by our unique combination of energy and hospitality expertise and leveraged purchasing power. Depending on location, we can help our purchasing customers save up to 20%."

San Francisco-based Chevron Energy Solutions provides customized, cost-reducing energy solutions to commercial and industrial businesses and institutions nationwide. CES is a subsidiary of Chevron Products Co., an operating unit of Chevron Corp. and one of the largest refiners and marketers of petroleum products in the United States. Chevron Corp., headquartered in San Francisco, is a leading energy company, operating in about 90 countries and employing about 31,000 people worldwide. For more information, visit Chevron's website at <http://www.chevron.com>.

Minneapolis-based Tharaldson Energy Group is a subsidiary of Tharaldson Enterprises, the largest independent hotel management company in the U.S. With over 2,000 member hotels, restaurants and other commercial buildings, Tharaldson Energy Group is the preeminent energy-purchasing consortium for the hospitality industry. As an energy industry leader, the company offers its members comprehensive services to manage and reduce their utility costs, including leveraged purchasing power, contract expertise, industry exposure to the energy market's foremost suppliers and the opportunity to be first in line for savings opportunities resulting from the deregulation of the electric and natural gas industries. Tharaldson Energy Group also provides its members with hospitality-specific consulting services targeted at reducing the consumption and related costs of electricity, natural gas, water and sewer utilities.

Choice Hotels International is the second largest hotel franchiser in the world with 4,300 hotels open, representing 343,511 rooms, and another 685 hotels under development, representing 58,191 rooms, in 39 countries as of June 30, 2000. Its Comfort, Quality, Clarion, Sleep, Econo Lodge, Rodeway Inn and MainStay Suites brands serve guests worldwide. For more information on Choice, visit the company's website at <http://www.choicehotels.com/>.

SOURCE: Choice Hotels International

Contact: Anne Curtis of Choice Hotels International, 301-592-5155;  
Diane Sable of Chevron Energy Solutions, 415-733-4629; or Martin B. Sieh of  
Tharaldson Energy Group, 612-832-2820

Website: <http://www.choicehotels.com/>  
<http://www.choicebuys.com/>  
<http://www.chevron.com/>

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