

## Energy FinAnswer® – California

### Frequently Asked Questions:

**What is Energy FinAnswer?** Energy FinAnswer is an innovative energy efficiency program. In California you can receive incentives for electric energy efficiency upgrades in new and existing facilities. The program also provides technical expertise to identify energy efficiency opportunities and quantify savings and costs.

**How can I benefit?** You can get a more reliable, productive, and energy-efficient facility with lower operating costs. Additional benefits can include improved equipment reliability, reduced operating and maintenance expenses, improved comfort, improved worker productivity, increased production capability, improved product quality and the opportunity to be recognized as a company that is protecting the environment.

**How do I enroll in Energy FinAnswer?** Contact your account manager, call our energy services hotline at 1-800-222-4335, or e-mail [energy.expert@pacificcorp.com](mailto:energy.expert@pacificcorp.com) to discuss your plans and request a letter of intent.

**Who makes the decisions regarding design and implementation?** You do. Our goal is to give you information to weigh your options, both technical and financial. We don't try to make decisions for you. The energy analysis process is sometimes complex, depending on the technology considered. So it requires the collaboration and expertise of many people. Your only obligation is to ensure that the project complies with Pacific Power's guidelines.

**What is an energy analysis?** An energy analysis is a comprehensive energy study, paid for by Pacific Power, that includes recommendations for energy efficiency improvements and provides a projection of the expected energy savings and project costs.

**Who decides on the scope of work and selects and pays the engineering consultant?** We jointly develop the scope of work and discuss selection of engineering consultants. Pacific Power contracts with the engineering consultant to perform energy analysis work and pays for the study.

**What if I already have an energy analysis?** If you already have an energy analysis, it is subject to Pacific Power review and approval. Pacific Power *may* reimburse you upon project completion for some or all of the cost of the study if it was provided by a firm currently under contract with us (a list of firms is on our Web site).

**What costs are eligible?** Eligible measure costs include all actual expenses reasonably incurred by the eligible customer directly related to the construction, installation or implementation of an eligible measure. Costs may include equipment costs, customer-paid engineering, design and commissioning fees, materials, supplies and installation costs. If the customer installs measures, the customer can submit documentation of actual cost of labor incurred. For new construction or expansion of existing facilities, eligible measures costs are those that are additional to achieve energy efficiency levels that exceed code or industry standard practice. Measure costs are subject to Pacific Power approval.

**How is the incentive determined?** Initially, the incentive is estimated based on energy and demand savings and measure cost estimates from the energy study. The final incentive paid is based on the same formula using energy and demand savings and measure cost results from the post-installation inspection report.

### For new construction / major renovation projects in the Design Assistance program track, how is the owner / customer incentive calculated?

- **Step 1** – determine the incentive rate using sliding scale

The incentive rate varies depending on the percentage by which the energy efficiency project exceeds current California energy code (whole building electric basis). The date of the building permit application establishes the current version of the code. The percentage is subject to approval by Pacific Power.

- If the percentage is between 10% and 30%, use the formula below to calculate the incentive rate(s):

$$\text{Incentive rate (in \$ per kWh/yr)} = (\text{percentage} \times 30 = 9) / 10$$

**Note – percentage is expressed as a decimal (e.g. for 20%, enter 0.2 in the formula)**

- If the percentage is:

- $\geq 30\%$ , the incentive rate is \$0.18 per kWh/yr
- $< 10\%$ , the project is ineligible for an incentive under the Design Assistance program track.

- **Step 2** – determine the energy efficiency incentive amount

To determine the energy efficiency incentive amount, multiply the annual kWh savings by the incentive rate.

**What is an appropriate baseline for energy consumption and measure costs?** The baseline is the equipment inventory and operation prior to implementing energy efficiency improvements. Energy savings and energy efficiency measure costs are calculated from the baseline:

- If the project is an elective retrofit, the baseline is existing equipment and operation.
- If the project is new construction/major renovation, replacement of equipment at the end of its useful life, or an expansion, the baseline is assumed to be the energy consumption and implementation cost for a facility/system that meets any required code or is common practice for the industry.

**Who owns the equipment?** The facility owner owns the equipment from the outset.

**Who installs, operates and services the equipment?** You and your contractors retain responsibility for the installation, operation and service of equipment. You also make repairs or adjustments as needed to bring the equipment up to its designed energy efficiency level.

**What about confidentiality?** Pacific Power's consultants are under strict confidentiality agreements.

**When do I get the incentive payment?** For projects with an executed incentive agreement, the incentive is paid within 45 days after the energy efficiency measure installation is complete. To be complete:

- The energy savings capability of the project installation needs to be operational.
- Any required commissioning needs to be complete.
- Pacific Power needs to inspect the installation and approve measure cost documentation.

**Who gets the incentive payment?** The Pacific Power customer who signed the incentive agreement and completed the energy efficiency improvements receives the incentive payment. The customer can be the site owner or a facility tenant. The customer can designate someone else to receive the incentive payment.

**What if lighting energy savings exceeds the limit?** The lighting measures can be covered under the FinAnswer® Express incentive program. Or, you can remain on Energy FinAnswer and either incorporate additional non-lighting measures or receive an incentive that is based on the lighting energy savings limit.

**What if I do not have a FinAnswer energy study and the project has started?** Contact your account manager or call toll free at 1-800-222-4335 to discuss the current status of the project. If purchase orders for the equipment related to efficiency improvements have already been issued, we cannot offer incentives. With purchase orders signed, it is too late to influence the project. Let us know about your future project plans.

**What if I have a FinAnswer energy study and have started the project?** Contact your account manager or 1-800-222-4335 to discuss the current status of the project. You need to sign a Pacific Power Energy Efficiency Incentive Agreement prior to ordering equipment.

**When does my project have to be installed to be eligible for incentives?** Your incentive agreement will include a required completion date.

#### **For more information on Energy FinAnswer**

Call our energy services hotline: 1-800-222-4335

E-mail: [energy.expert@pacificcorp.com](mailto:energy.expert@pacificcorp.com)

Visit our Web site: [www.pacificpower.net/casave](http://www.pacificpower.net/casave)