

2011 Energy Efficiency Alliance Update Commercial & Industrial Lighting Participants

Washington
February 15th (Walla Walla)
February 16th (Yakima)



Welcome

- Introductions
 - ▶ Pacific Power
 - ▶ Evergreen Consulting Group
 - ▶ Nexant
 - ▶ Other guests
- Goals for Today
 - ▶ Program updates
 - ▶ Changes in codes
 - ▶ Opportunities available

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Agenda

- Year in Review
- FinAnswer Express Program Review and Updates
 - Commercial, Industrial, and Agricultural
 - Code-driven changes
- Application Process and “Keys to Success”
- Energy Efficiency Alliance (EEA) Assistance
- Upcoming Technical Training
- Q&A

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“Year in Review” - Lighting

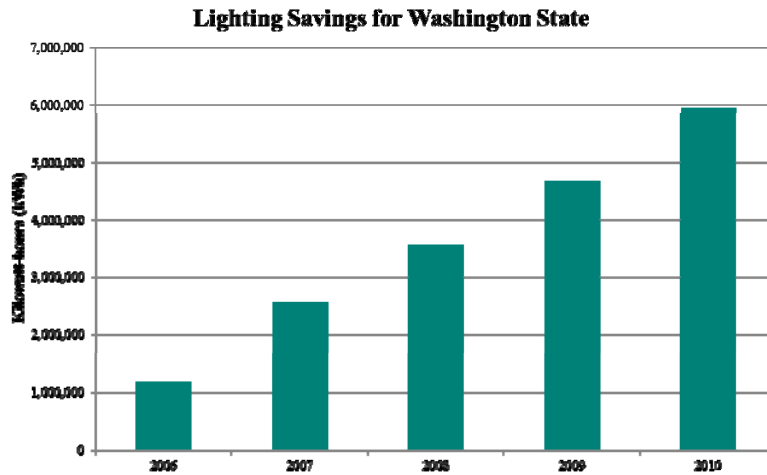
- FinAnswer Express Lighting Results (2010):
Energy Efficiency Alliance’s Portion
 - 2010 Projects: **125**
 - 2010 savings: **5.95 million kWh**
 - 2010 incentives: **\$538,000 for lighting projects**
- 2009 projects: 100
- 2009 savings: 4.68 million kWh
- 2009 incentives: \$390,000 for lighting projects

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“Year in Review”



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“Year in Review”

- Recognition for top performing companies



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“Year in Review”

- Energy Efficiency Alliance - 2010 top-performing companies (Lighting):
 - ▶ All-Phase Electric
 - ▶ All-State Electric Co.
 - ▶ ecoLuma LLC
 - ▶ Kinter Electric

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Energy Efficiency Programs

- Pacific Power has **two** energy efficiency paths in Washington to help commercial, industrial, and agricultural customers save money and energy.
 - ▶ FinAnswer Express
 - ▶ Energy FinAnswer

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Energy Efficiency Programs

Commercial – Industrial –Agricultural Electrical Savings Project

FinAnswer Express

- Most common efficiency measures
- One-for-one replacement
- \$/per unit equipment incentive
- Possible custom incentives for equipment outside eligibility requirements

Energy FinAnswer

- $\geq 20,000$ sq. ft.
- Custom energy engineering services
- \$/kWh incentive
- Potential design assistance
- Equipment not part of Express
- Sophisticated building automated systems

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Energy FinAnswer

- Contact Pacific Power first – sign Letter of Intent
- Energy analysis services will be provided
 - Initial Site Visit Report
 - In-depth Energy Analysis Report (**pre**-purchase/installation)
 - Post-Installation Inspection
- Both new construction & retrofit eligible
 - Where custom calculations for energy savings/measures, such as complex control systems, >75 HP compressed air systems, or process cooling requiring detailed engineering to quantify savings
 - There are commissioning requirements
- Incentive of \$0.15/kWh + \$50/kW
 - Incentive caps may apply (1 yr. payback and 60% project cost)
 - Sign “**incentive agreement**” **before you sign purchase orders**

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FinAnswer Express

- Commercial & Industrial customers
- Program offers incentives for retrofit & new construction
 - ▶ **Mechanical & Non-Lighting** – apply post-purchase, refer to “catalogs” on supporting documents to attach to application
 - ▶ **Lighting New Construction** – pre-approval recommended but not required (post purchase application within 1 year of completion)
 - ▶ **Lighting Retrofit** – sign incentive agreement **before** signing purchase orders; contact Trade Ally Coordinator for lighting tool
 - ▶ **Custom incentives** – sign incentive agreement **before** signing purchase orders

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Program Changes from last year

- Washington’s program updated in November 2010
 - ▶ **Energy Independence and Security Act 2007** – (Effective 12/19/10)
 - ▶ **Washington State Energy Code 2009** – (Effective 01/01/11)
- Pulse Start Metal Halides
 - ▶ (New Const/Major Renovation) >125W and <500W: **code-driven change**
- Motors
 - ▶ Incentives **NO LONGER** available for NEMA Premium Motors purchased since Dec. 19, 2010 : **code-driven change**
(purchases prior to 12/19/10 still available for post-purchase incentives)
 - ▶ Incentives available for Green Motor Rewinds
 - Increased category size to 5,000 HP, program unchanged
 - ▶ Electronically Commutated Motors (≤ 1 HP)
 - Retrofit only (required by WSEC 2009 for new construction)
 - ▶ Variable Frequency Drives (for HVAC fans & pumps)

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FinAnswer Express: Retrofit Lighting

- Eligible equipment incentives effective now:
 - T8 fluorescent fixtures – standard & “premium”
 - Compact fluorescent lamps (CFL) hardwire fixtures
 - T5 & T5HO fluorescent fixtures
 - High intensity discharge (HID) options
 - Exit signs
 - Lighting controls
 - LED lighting – Energy Star or pre-approved fixture application
 - LED message center and channel letter signs
- **Lighting Retrofit & Custom Incentive Projects**
 - **Receive up to 60% of total project cost**
 - Minimum of 1-year payback
- New lighting calculator tool: Dec. 2010, version 6.1

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FinAnswer Express: New Construction Lighting

- Different lighting spreadsheet tool (than retrofit tool!)
 - **Current version: 3.1**
- Post purchase paperwork and inspection process
 - Pre-approval not required, but **recommended**...
- Baseline = Washington State Energy Code (**WSEC 2009**)
 - For lighting power density (LPD) - allowance
- Final LPD must be 10% lower than code required LPD
- Eligible equipment & incentives for:
 - Premium T8 fluorescent fixtures
 - Fluorescent T5 or T5HO fixtures
 - Ceramic metal halide
 - LEDs (approved equipment)
 - Advanced Daylight Controls

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FinAnswer Express: HVAC, Motors, & Other

- Incentive Handout Packet includes:
 - High-Efficiency Air Conditioning, Heat Pumps, and Evaporative Cooling
 - Variable Frequency Drives (VFDs) for HVAC fans & pumps
 - High-Efficiency Chillers
 - Compressed Air (< 75 HP)
 - Food Service Equipment
 - Plug Load Occupancy Sensors
 - Electronically Commutated Motors (ECM)
 - Dairy & Farm Equipment (including irrigation)
 - Green Motor Rewinds
 - Building Envelope ... and More!
- William Gatchel can support your post-purchase applications

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FinAnswer Express: HVAC, Motors, & Other

- Energy Efficiency Alliance “Non-Lighting” Overview
 - Today at 11:45 am
 - Same location, please see registration hosts if interested
 - Cascade Natural Gas incentives also included
- Additional Non-Lighting Incentive information available on the back table.

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FinAnswer Express: Lighting Process

– Retrofit Projects:

- ▶ Retrofit projects start with Letter of Intent and lighting tool
 - (utility bill helpful)
- ▶ Signed Incentive Agreement **before** purchase
- ▶ Pre & Post installation inspection requirements may apply
- ▶ Closeout documents submitted (including invoices)
- ▶ Check is mailed per Incentive Agreement, within 45 days of submittal of completed closeout documents

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FinAnswer Express Lighting Application Process

– New Construction / Major Renovation

- ▶ Post-Purchase Process
 - Purchase and install qualifying equipment per program's guidelines
 - » catalogs available in back
 - Complete application form & New Construction / Major Renovation lighting calculation tool
 - Attach utility bill
 - Attach invoice: confirmation of total project cost and date
- ▶ Post-installation inspection requirements
- ▶ Project closeout, review and payment processing
- ▶ Check is mailed within 45 days of submittal of complete application
- ▶ William Gatchel on point to support you!

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Keys for Success: Lighting Application Process

- For Faster Processing:
 - ▶ Provide Recent Utility Bill & Signed Letter of Intent:
 - Get to Lori Sanders or William Gatchel as early as possible!
 - ▶ For LED/SSL fixtures-technology:
 - On ENERGY STAR list or get pre-approval for fixture/lamp before starting project or ordering equipment.
 - LM79 documents require pre-approval if not on utility's pre-approved list (see pacificpower.net/alliance for application process and included in your packet)
 - ▶ Owner installs or provides labor:
 - Material invoices provided with statement of internal labor costs from owner (if no invoice for labor).
 - Account for all costs on project.

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Keys for Success: Lighting Application Process

- For Faster Processing:
 - ▶ Invoices: Must be a copy of actual vendor invoices with the following basic items included
 - Name of vendor
 - Name of company invoiced
 - Invoice date
 - Description of project scope, location, and equipment counts installed (to tie back to specific project)
 - Show all gross costs and taxes before any credit applied
 - » Pacific Power incentive assigned to vendor should be reflected on invoice

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1099 Reporting

- IRS Requirements
 - ▶ The IRS requires that we issue Form 1099-Misc. to business customers who receive payments of \$600 or more in any tax year
 - ▶ Form W-9 is a request for taxpayer identification information used to prepare the 1099
 - ▶ 1099-Misc. is sent to the company who was eligible to receive the incentives

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1099 Reporting – impact on customers

- Businesses who received incentives of \$600 or more may receive a request for W9 info and a 1099-Misc.
 - ▶ 1099s for 2010 incentives are substantially complete
 - Per IRS requirements,
 - » 1099 is from Nexant, Inc. if Nexant issued the incentive check
 - » 1099 is from PacifiCorp if Pacific Power issued the incentive check
 - 1099-Misc. is sent to the company who was eligible to receive the incentive
 - » Businesses who assigned their incentive payment to a third party still receive the 1099
- Businesses need to consult their tax advisors regarding preparation of tax returns

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1099 Reporting

- Impact on EEA Participants
 - ▶ If customers ask if the incentive is taxable income, refer them to their tax advisor
 - ▶ If customer assigns their incentive payment to a third party
 - Provide a clear message to customers
 - » In case of third party assignment, **customer** will receive Form 1099
 - Invoices should include gross projects costs
 - » Material
 - » Labor
 - » Taxes
 - » Credits or deductions

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1099 Reporting

- Next steps
 - ▶ Incentive agreement and applications will be revised
 - Stay tuned for effective dates and details!
 - ▶ Will collect the W9 information for incentive payments made before the 2011 forms are revised

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Keys for Success: Lighting Application Process

- For Faster Processing: *new construction or retrofit*
 - When uncertain for any reason: Contact your Trade Alliance Coordinator prior to ordering equipment
 - Lori Sanders
 - William Gatchel
- Not a Energy Efficiency Alliance participant yet or know someone interested?
 - **Application available in back!**

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2011 and Beyond



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Energy Efficiency Alliance

- Goal and Focus for 2011:
 - Controls
 - Higher Savings for your projects & customers:
 - » High Bays
 - » Offices
 - » Warehouse
 - T12 Retrofits
 - Replace inefficient technology while incentives are still available
 - Pacific Power literature to support sales efforts (coming soon!)
 - Encourage **Premium** T8 upgrades to save even more!!!

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Federal Efficacy Standards Changing

- Manufacturers required to meet new standards in 2012
- Historically, when code changes, incentives change accordingly
- What does this mean to you?
 - Phase-out anticipated in 2012
 - Incentives still available for T12 to T8 retrofits.
- **NOW** is the time to pursue retrofit updates/upgrades while incentives are still available

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Energy Efficiency Alliance (EEA)

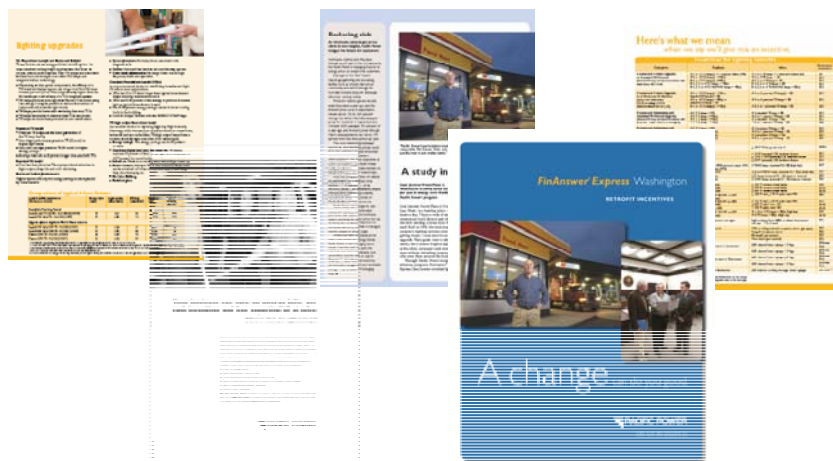
- Services Provided – For our Approved EEA Participants
 - EEA Coordinators available to provide project support
 - Joint sales calls
 - Project summary
 - EEA Participant training
 - FinAnswer Express lighting software tools
 - Regional technical training
 - Marketing & communications
 - EEA Newsletters
 - Collaborative Marketing Available to EEA Participants
 - Energy Efficiency Alliance approved list on website for end-use customers to aid in vendor selection
Pacifipower.net/wattsmart

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Marketing Brochures



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Program Marketing

- Marketing Materials Include:
 - ▶ FinAnswer Express Brochures (Retrofit & New Construction)
 - ▶ Project Case Studies
 - ▶ Programs Overview Brochures
 - ▶ Other Program Brochures

- Quarterly Energy Efficiency Alliance Newsletter

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Program Marketing Guidelines

- Business Marketing (Approved EEA Participants)
 - ▶ Must have completed at least one project
 - ▶ Shall not use Pacific Power logo
 - ▶ Can use pre-approved language without review
 - ▶ All other language must be reviewed and approved by Pacific Power

- Complete Marketing Guidelines Form
 - ▶ Be as detailed as possible
 - ▶ Minimum of 10 days
 - ▶ Return to Energy Efficiency Alliance Coordinator

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Energy Efficiency Alliance - Lighting

- What is next (Technical Training)
 - ▶ Annual Lighting Technical Training: with Northwest Trade Ally Network (NW TAN)
 - More about the T-12 phase out in 2012
 - What is embraceable technology in the LED market?
 - How to integrate controls for more savings and revenue in your lighting projects
 - Retrofit by Design, are you designing to light levels recommended today?
 - ▶ Hands-on training in Kennewick March 1, 2011 from 7:00 to 11:30 am
 - ▶ Register www.northwest-lighting.org for more info

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Pacific Power: Energy Efficiency Alliance

- **For vendors**
 - ▶ **EEA Coordinator – Lighting**
 - Name: Lori Sanders
 - Phone: 509-727-0394
 - ▶ **EEA Coordinator – New Construction/Non-Lighting**
 - Name: William Gatchel
 - Phone: 541-377-7943
 - ▶ Web: pacificpower.net/alliance
- ▶ **Program Support Resources**
 - ✓ Paul Warila – Compressed Air 503-928-3212
 - ✓ Rick Rumsey – Irrigation 208-221-5138
 - ✓ Scott Kenaston – Multi-State Alliance Manager 503-504-0026
 - ✓ Roger Spring – Multi-State Alliance Director 503-509-0330
- ▶ **For customers**
 - ▶ Pacificpower.net/wattsmart (inquire online)
 - ▶ 800-222-4335
 - ▶ Energy.expert@pacificorp.com

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Energy Efficiency Alliance



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