

2011 Energy Efficiency Alliance Update Commercial, Industrial, & Agricultural Mechanical Participants

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



Welcome

- Introductions
 - ▶ Pacific Power
 - ▶ Evergreen Consulting Group
 - ▶ Nexant
 - ▶ Other program representatives
- 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
- Non-Lighting Incentive Application Process
- Energy Efficiency Alliance (EEA) Assistance
- Other Resources/Information
- Q&A

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“Year in Review” – Non-Lighting

- FinAnswer Express Non-Lighting Results (2010):
 - 2010 projects: **30**
 - Retrofit: 21 projects
 - New Construction: 9 projects
 - 2010 savings: **696,913 kWh/year**
 - 2010 incentives: **\$127,500+**

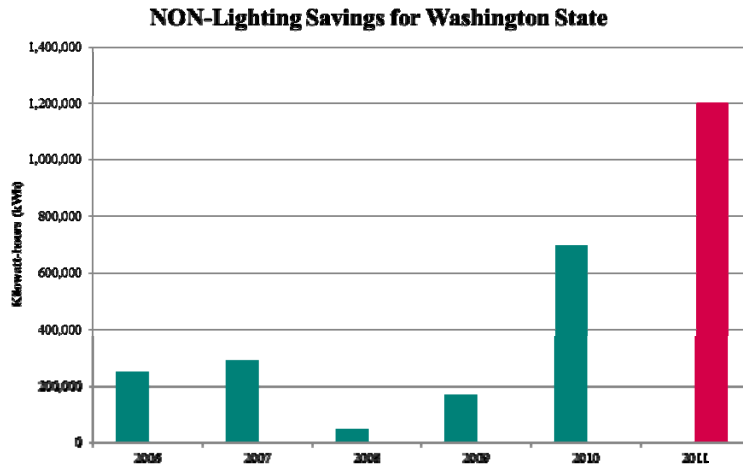
 - 2009 projects: 15
 - 2009 savings: 166,827 kWh
 - 2009 incentives: \$33,515

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“Year in Review”



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“Year in Review”

- Recognition for top-performing company



Orange Dairy Service

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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% incremental cost)
 - ▶ Sign “incentive agreement” **before you sign purchase orders**

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FinAnswer Express

- Commercial, Industrial, & Agricultural 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 Overview/Changes for 2011

- Washington’s program updated in November, 2010
 - **Energy Independence Security Act 2007** – (Effective 12/19/10)
 - **Washington State Energy Code 2009** – (Effective 1/1/11)
- 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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Program Overview/Changes for 2011

- HVAC
 - Unitary AC/HP Tiered Incentive Structure (based on efficiency)
 - **\$50, \$75 and \$100/ton**
 - **IEER** metric added to eligibility (IPLV being phased out by manufacturers)
- Other Non-Lighting Sectors
 - Food Service Category (Vertical refrigerators and freezers)
 - ENERGY STAR qualification required
 - Incentives increased and a fourth size category was added
 - No changes from 2010 program for:
 - Compressed Air
 - Irrigation measures
 - Envelope
 - Farm & Dairy
 - Appliances

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Program Overview/Changes for 2011

Lighting Incentives

- No longer eligible **code-driven change**
 - Pulse Start Metal Halides (New Construction/Major Renovation only)
>125W and <500W
- Added to program:
 - Lighting controls
- **Lighting Retrofit & Custom Incentive Projects**
 - **Receive up to 60% of total project cost**
 - Minimum of 1-year payback

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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 Retrofits (including irrigation)
 - Green Motor Rewinds
 - Building Envelope ... and More!
- William Gatchel can support your post-purchase applications

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HVAC – Tiered Efficiencies

FinAnswer[®] Express Washington Incentives for HVAC equipment

Equipment Type	Size Category	Sub-Category	Minimum Efficiency Requirement & Customer Incentive		
			\$50/ton	\$75/ton	\$100/ton
Unitary Commercial Air Conditioners, Air-Cooled (Cooling Mode)	< 65,000 Btu/hr	Split system and single package (single phase)	15.0 SEER and 12.5 EER	—	—
	< 65,000 Btu/hr	Split system and single package (three phase)	—	14.0 SEER and 11.6 EER	15.0 SEER and 12.0 EER
	≥ 65,000 Btu/hr and < 135,000 Btu/hr	Split system and single package	—	11.5 EER and either 11.9 IPLV or 11.7 IEER	12.0 EER and either 12.4 IPLV or 12.2 IEER
	≥ 135,000 Btu/hr and < 240,000 Btu/hr	Split system and single package	—	11.5 EER and either 11.9 IPLV or 11.7 IEER	12.0 EER and either 12.4 IPLV or 12.2 IEER
	≥ 240,000 Btu/hr and < 760,000 Btu/hr	Split system and single package	—	10.5 EER and either 10.9 IPLV or 10.7 IEER	10.8 EER and either 12.0 IPLV or 11.0 IEER
	≥ 760,000 Btu/hr	Split system and single package	—	9.7 EER and either 11.0 IPLV or 9.9 IEER	10.2 EER and either 11.0 IPLV or 10.4 IEER

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FinAnswer Express: Green Motor Rewind

- Point-of-purchase for AC motors ≥ 15 HP and ≤ 5000 HP
 - Without core damage
 - Rewound at a Green Motors Practices Group motor service center
 - Incentive is a “credit” on the GMPG motor service center invoice.
 - List of centers provided at www.greenmotors.org/practicing.htm
 - \$1/HP credit is paid by the service center to customer as a credit
 - Should be reflected on customer invoice
 - *See literature in handout packet...*
 - > 5000 HP may qualify for a custom incentive
 - An incentive agreement must be signed **before** rewind is performed!

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FinAnswer Express: Compressed Air

- Post-purchase incentives available for customers with single-compressor systems < 75 HP in Washington (see handout in packet):
 - ▶ New VFD-Controlled Compressors (< 75 HP)
 - ▶ Low-Pressure Drop Filters
 - ▶ Receiver Capacity Addition
 - ▶ Refrigerated Cycling Dryers
 - ▶ Zero-Loss Condensate Drains
 - ▶ Outside Air Intake
- Energy FinAnswer for sophisticated or systems > 75 HP

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FinAnswer Express: Irrigation

- Retrofit ONLY
- 12 Post-Purchase Irrigation Measures:
 - ▶ **Hand Line and Wheel Line Measures Include:**
 - Cut and pipe press repair of leaking pipe connections
 - Rotating spray heads
 - Drains and gaskets
 - Standard and flow control nozzles
 - Wheel line hubs on Thunderbird wheel lines
 - Brass impact sprinklers
 - Wheel-line levelers and feed hose
 - ▶ **Center Pivot Measures Include:**
 - Low pressure pivot sprinkler heads
 - Center pivot base boot gasket
 - Drains & Nozzles
 - Sprinkler pressure regulators

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FinAnswer Express: Farm & Dairy Equipment

- Post-purchase application process for Farm & Dairy equipment measures for qualifying customers in Washington
 - Automatic Milker Take-offs (**retrofit only**)
 - Tractor Block Heater Timers
 - Circulating Fans
 - Milk Heat Reclaimers
 - High-Efficiency Ventilation Systems
 - Milk Pre-Coolers
 - Programmable Ventilation Controller
 - VFD's for Dairy Vacuum Pumps (**retrofit only**)

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FinAnswer Express: Commercial Food Service

- **ENERGY STAR**[®] qualified food service equipment may be eligible for incentives:
 - Vertical Solid-Door Refrigerators & Freezers (new size category)
 - Vertical Glass-Door Refrigerators (new size category)
 - Air-Cooled Ice Machines
 - Electric Commercial Fryers
 - Commercial Dishwashers
 - Insulated Holding Cabinets
 - Electric Steam Cookers
 - Electric Convection Ovens
 - Electric Griddles
 - Electric Combination Ovens

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FinAnswer Express: Non-Lighting Application Process

- William Gatchel on point to support you!
- Post-Purchase Process (Except Custom Incentives)
 - ▶ Purchase equipment per program's minimum specifications/requirements (catalogs available in back)
 - ▶ Complete application form
 - ▶ Attach utility bill
 - ▶ Attach invoice: confirmation of total project cost and date
- Post-installation inspection requirements
 - ▶ Random
 - ▶ As necessary
- Project closeout, review and payment processing
- Check is mailed within 45 days of submittal of complete application

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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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2011 and Beyond



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Energy Efficiency Alliance

- Goals for 2011
 - Double the 2010 projects and savings
 - 60 projects in 2011
 - 1,200,000 kWh in savings!!!

- We need you to join our Energy Efficiency Alliance (EEA Participant)
 - Increase your business with more sales!!!
 - Not a participant yet or know someone interested?
 - **Application available in packet!**

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Energy Efficiency Alliance (EEA)

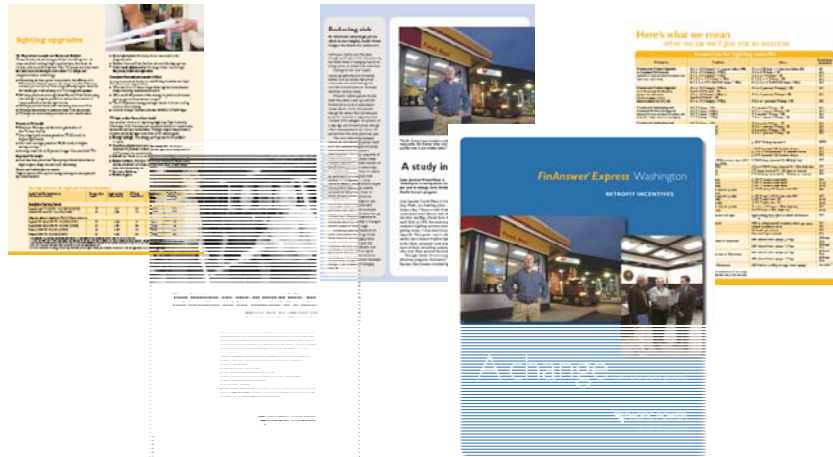
- Services Provided – For our Approved EEA Participants
 - EEA Coordinators available to provide project support
 - Joint sales calls
 - Project summary
 - EEA Participant training
 - FinAnswer Express lighting software tools
 - Regional technical training
 - Marketing & communications
 - EEA Newsletters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

- What about buildings with Natural Gas and Electrical savings (projects saving both)?
 - Cascade Natural Gas incentive programs are separate from Pacific Power's; but each utility's portions (savings) are eligible for their respective program.
- The Cascade Natural Gas Conservation Incentive Program (CIP) is designed to increase energy efficiency in residential homes and commercial/industrial facilities within Cascade's service territory by providing cash incentives for the installation of certain energy efficiency measures.

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Natural Gas Incentives

- See attached handouts for more detailed information

Contact:

- Residential Call Center: Jonathan.e.dickenson@lmco.com
- (866) 626-4479
- Autumn Marks (for commercial projects): autumn.d.marks@lmco.com
- (877) 508-7166
- Brian Farnsworth (for commercial incentive application submissions)
Brian.i.farnsworth@lmco.com
- (425) 877-2314
- Website: www.cngc.com/conservation for more information

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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
- ▶ **For customers**
 - ▶ Pacificpower.net/wattsmart (inquire online)
 - ▶ 800-222-4335
 - ▶ Energy.expert@pacificorp.com
- ▶ **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

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Energy Efficiency Alliance



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