

Energy FinAnswer® Washington



“Energy FinAnswer is win-win. Actually, a lot of wins – whether it be cost savings, safety from better lighting, environmental – the list goes on and on.”

Earl Williams

Vice President of Manufacturing
Shields Bag and Printing

Surprising as it may sound,
we'd like to help you use less energy.

 **PACIFIC POWER**

Let's turn the answers on.

Energy FinAnswer[®] from Pacific Power

We have the incentives and expertise to help you reduce your energy consumption.

Using less energy will save you money, but that's just one of the benefits of taking advantage of Pacific Power's Energy FinAnswer program. You can also see equipment reliability improve and get better production capacity and quality. It can help you enhance your employees' comfort, productivity and efficiency as well.

Good news for your bottom line. And it's good for all of us because it helps assure a healthy energy supply for the region's future growth.

Retrofits

If you're a Pacific Power business customer in Washington,* we offer energy engineering expertise and cash incentives to help you upgrade to the most energy-efficient systems available.

What qualifies?

- planned installation of proven technologies that increase electric energy efficiency

We may verify pre-installation conditions, and energy efficiency measures must meet minimum equipment efficiency levels and equipment eligibility requirements in our FinAnswer[®] Express program. (See the brochure for details.)

And what does not qualify?

- some projects already in progress
- projects involving fuel switching

How much are the retrofit incentives?

Incentive	\$0.15/kilowatt-hour (kwh) annual energy savings + \$50/kilowatt (kw) average monthly demand savings
Incentive caps	
Percent of project cost cap	60% of energy efficiency project cost
Simple payback cap	1 year (If incentive brings the simple payback below one year, the incentive is reduced so the simple payback equals one year.)
Additional requirements	
Lighting energy savings limit	Lighting kwh savings limited to 50% of project savings (If lighting kwh savings exceeds the limit, lighting measures are adjusted for purposes of calculating the incentive.)

What are the technical services for retrofits?

Energy analysis – services help identify energy efficiency opportunities and quantify savings and costs. We'll provide, at no direct cost to you, a vendor-neutral and investment-grade analysis to support your decision-making and funding approval process. Services also include a post-installation calculation of annual savings for the project as installed and operating.

Steps for retrofits

Scoping

We sign a letter of intent with you. Then, working with you, we identify potential energy efficiency opportunities. We go over the preliminary numbers with you and discuss your implementation plans and schedule.

Energy analysis

We provide an energy analysis report for the opportunities with the highest likelihood of implementation. The report contains specific recommendations and refined estimates of costs and savings. It also includes our incentive offer and any commissioning requirements. We pay for the study.

Incentive agreement

We sign an incentive agreement with you **before** you sign purchase orders or make other financial commitments to proceed with implementation. The incentive is estimated based on the energy analysis.

Implementation

You complete contracting and installation, then notify us when each is done. You complete any required commissioning and provide commissioning submittals and documentation of your final costs for each energy efficiency measure, with labor and material itemized.

Post-installation inspection and incentive payment

We complete a post-installation inspection report that documents the final project costs and energy savings. We calculate the incentive amount based on the inspection results and provide you with the incentive check.

*Commercial facilities must be at least 20,000 square feet (per electric meter).

New construction/major renovation

If you're a Pacific Power business customer in Washington, we offer energy engineering expertise and cash incentives to help you upgrade to the most energy-efficient systems available.

What qualifies?

Planned installation of proven technologies that:

- increase electric energy efficiency
- exceed code requirements or industry standards

And what does not qualify?

- some projects already in progress
- projects involving fuel switching

How much are the new construction incentives?

Project type	Energy code applies and whole building at least 10% better than code	Energy code does not apply or whole building not 10% better than code
Incentive	\$0.15/kwh annual energy savings + \$50/kw average monthly demand savings	
Incentive caps		
Percent of project cost cap	None	60% of energy efficiency project cost
Simple payback cap	None	1 year (If incentive brings the simple payback below one year, the incentive is reduced so the simple payback equals one year.)
Additional requirements		
Energy savings threshold	Must exceed code by at least 10% (whole building electric basis)	Qualifying equipment must exceed code, if it applies.
Lighting energy savings limit	None	Lighting kwh savings limited to 50% of project savings

If lighting kwh savings exceeds the limit, lighting measures are adjusted for purposes of calculating the incentive.

What are the technical services?

Energy code applies (whole building approach)	Energy code does not apply or building will not exceed code by 10% (system/measure approach)
<p>Design assistance – services help your design team incorporate energy efficiency measures into the construction documents.</p> <p>Goal – whole building at least 10% better than energy code.</p> <p>Note: Design team incentives may be available.</p>	<p>Energy analysis – services identify energy efficiency opportunities and quantify savings and costs. The analysis is vendor-neutral and investment-grade, so you'll have information to guide your implementation decision and funding approval process.</p>

We'll provide, at no direct cost to you, the energy analysis and a post-installation calculation of annual savings for the project as installed and operating.

Steps for new construction/ major renovation

Please contact us as early as possible to get started.

Design assistance
For projects where energy code applies (whole building approach)

Energy analysis
For projects where energy code does not apply or where building will not exceed code by at least 10% (system/measure approach)

Scoping

We sign a letter of intent with you. Then, working with you, we identify potential energy efficiency opportunities. We go over the preliminary numbers with you and discuss your implementation plans and schedule.

Energy analysis

We provide an energy analysis report for the opportunities with the highest likelihood of implementation. The report contains specific recommendations and refined estimates of incremental costs and savings compared to a building that meets code. It also includes our incentive offer and any commissioning requirements. We pay for the study.

Energy analysis

We provide an energy analysis report for the opportunities with the highest likelihood of implementation. The report contains specific recommendations and refined estimates of incremental costs and savings compared to code-compliant or common-practice systems. It also includes our incentive offer and any commissioning requirements. We pay for the study.

Incentive agreement

We sign an incentive agreement with you **before** you sign purchase orders or make other financial commitments to proceed with implementation. The incentive is estimated based on the energy analysis.

Construction document review

We review the construction documents to confirm the proposed measures are included.

Implementation

You complete contracting and installation, then notify us when each is done. You complete the required commissioning tasks and provide documentation of installed equipment, proper operation and copies of required invoices.

Post-installation inspection and incentive payment

We complete a post-installation inspection report that documents the energy savings and incremental costs of the as-built project. We calculate the incentive amount based on the inspection results and provide you with the incentive check.

More about incentives and services

We provide an incentive estimate based on the energy analysis results completed prior to installation of energy efficiency upgrades. The incentive paid is based on the results of a post-installation inspection.

We provide commissioning requirements for more complex measures. You'll need to meet these requirements to receive the maximum incentive and energy savings.

We contract for and pay for the energy study and the post-installation inspection. You contract for and pay for commissioning as part of the project implementation.

A Pacific Power Incentive Agreement must be signed before signing contracts with suppliers or contractors.

Here are some definitions

Retrofit	Changes, modifications or additions to systems or equipment in existing facility square footage.
Major renovation	Any change in facility use type or where the existing system will not meet owner/customer projected requirements within existing facility square footage.
New construction	A newly constructed facility or newly constructed square footage added to an existing facility.

Here is an example retrofit incentive calculation

Compressed air energy efficiency retrofit project: Savings is 300,000 kwh/yr and 40 kw/month (\$14,100/yr); cost of compressed air upgrades is \$60,000

Step 1 Adjust any lighting measures if lighting savings exceeds 50% of total savings

Step 2 Calculate incentive

(a) Incentive based on savings

Energy incentive = $\$0.15/\text{kwh} \times 300,000 \text{ kwh} = \$45,000$

Demand incentive = $\$50/\text{kw} \times 40 \text{ kw} = \$2,000$

Energy and demand incentive = $\$47,000$

(b) Incentive based on 60% of energy efficiency project cost =

$0.6 \times \$60,000 = \$36,000$

Lesser of (a) and (b) is \$36,000

Step 3 Check simple payback for whole project, determine incentive

Payback including incentive = (cost of upgrades - incentive)/annual electric cost savings = $(\$60,000 - \$36,000)/\$14,100 = 1.7 \text{ years}$

Payback including incentive is greater than one year, so incentive is \$36,000

Wondering when you get paid?

For projects with an executed incentive agreement, the incentive is paid within 45 days after completion of the post-installation inspection report.

You're in charge

Remember, once you make a commitment, you remain in control. You choose the technologies and the manufacturers you want to use. You choose the contractors with whom you'll be working. From analysis through installation, we will work within your planning and construction schedules. Think of us as an extension of your own team – there to offer information, confirmation and options for your decision making.

To get started

- Visit pacificpower.net/wattsmart and inquire online.
- Call our energy services hotline toll free at **1-800-222-4335**.
- Contact your account manager.
- E-mail us at energy.expert@pacificcorp.com.

For a copy of the approved tariff, visit the Washington information at pacificpower.net/regulation and go to Schedule 125.

We offer incentives for lighting, HVAC/mechanical and other upgrades under a separate program, FinAnswer® Express. Contact us or visit our Web site for more details.

Energy efficiency measures receiving an incentive from us are not eligible for incentives under other Pacific Power programs.

Pacific Power customers in Oregon: For information about similar energy efficiency services, visit www.energytrust.org, e-mail info@energytrust.org or call toll free at 1-866-368-7878.



Let's turn the answers on.

Energy FinAnswer® - Washington

Frequently Asked Questions:

What is Energy FinAnswer? Energy FinAnswer is an innovative energy efficiency program. In Washington 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, inquire online at our Web site, call our energy services hotline at 1-800-222-4335, or e-mail 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 will not reimburse you for the cost of the study.

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 the 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. For projects involving measures that save both natural gas and electricity where the customer can reasonably expect to receive an incentive from their gas company, the measure cost will be pro-rated prior to calculating the incentive. (This does not apply to design assistance projects.)

How is the incentive determined? Initially, the incentive is estimated based on energy and demand savings and measure cost estimates from the energy study. See the sample in the brochure. 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.

(over)

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 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

Visit pacificpower.net/wattsmart and inquire online.

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

E-mail energy.expert@pacificcorp.com.



Let's turn the answers on.

It pays to watch where you put your energy.

These businesses and organizations are realizing significant energy and cost savings after improving energy efficiency through Energy FinAnswer®.

Facility	Energy savings (kwh/yr)	Money saved (\$/yr) at \$0.055/kwh	Pacific Power incentive	Incentive brought the payback (in years) from / to		Location	Type of project
Allan Bros.	1,396,587	\$76,812	\$90,560	2.5	1.3	Naches	Refrigeration, lighting
Boise Inc.	23,086,925	\$1,269,781	\$2,132,269	3.5	1.8	Walla Walla	Industrial process
City of Walla Walla	420,805	\$23,144	\$4,399	3.8	3.6	Walla Walla	Pumping
Cow Palace	597,745	\$32,876	\$32,790	2.0	1.0	Granger	Pumping
CPC International Apple Co.	2,684,113	\$147,626	\$151,430	2.1	1.1	Tieton	Refrigeration
DeRuyter Brothers Dairy, Inc.	715,270	\$39,340	\$70,079	3.8	2.0	Overlook	Pumping and refrigeration
Evans Fruit Co., Inc.	10,697,462	\$588,360	\$919,325	4.0	2.4	Cowiche	Refrigeration, controlled atmosphere systems, lighting
Kershaw Fruit	862,313	\$47,427	\$86,264	3.9	2.1	Yakima	Refrigeration
Monson Fruit Co.	2,876,240	\$158,193	\$298,056	4.2	2.3	Selah	Refrigeration
Olympic Fruit Co.	2,421,823	\$133,200	\$212,648	3.3	1.7	Moxee	Refrigeration, controlled atmosphere system
Price Cold Storage	2,541,021	\$139,756	\$145,673	2.2	1.2	Yakima	Refrigeration
St. Mary Medical Center	4,184,551	\$230,150	\$457,543	4.3	2.3	Walla Walla	HVAC
Stadelman Fruit	652,142	\$35,868	\$38,371	2.5	1.4	Zillah	Refrigeration
Strand Apples, Inc.	451,776	\$24,848	\$39,496	3.4	1.8	Cowiche	Refrigeration
Tree Top, Inc.	3,889,777	\$213,938	\$262,541	3.0	1.8	Selah	Refrigeration, compressed air, industrial process
Valley Fruit	3,524,373	\$193,841	\$262,216	2.8	1.5	Wapato	Refrigeration, controlled atmosphere system
Valley Processing, Inc.	1,154,191	\$63,481	\$86,227	2.9	1.5	Sunnyside	Refrigeration, compressed air
Washington Fruit & Produce Co.	1,376,535	\$75,709	\$90,122	2.4	1.2	Yakima	Refrigeration
Welch's	2,331,900	\$128,255	\$283,873	4.9	2.6	Grandview	Refrigeration, compressed air
Whitman College	918,820	\$50,535	\$104,273	9.6	7.5	Walla Walla	HVAC, lighting, building shell
Yakima County	1,565,836	\$86,121	\$192,362	7.9	5.7	Yakima	HVAC, lighting
Yakima Fruit & Cold Storage Co.	2,636,191	\$144,991	\$181,115	3.0	1.8	Wapato	Refrigeration
Yakima School District	249,785	\$13,738	\$29,403	4.9	2.8	Yakima	HVAC
Yakima Valley Memorial Hospital	1,130,349	\$62,169	\$99,412	5.5	3.9	Yakima	HVAC, lighting

For more information on Pacific Power's Washington energy efficiency programs,

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