



Medium and Large Commercial / Industrial Retrofit Pilot Program**

Primary Objectives

- Identify and implement gas and electric energy efficiency opportunities associated with mechanical, electrical, and thermal systems in existing commercial, industrial, governmental, and institutional buildings.
- Assist WG&E customers reduce operating costs by incentivizing the identification and installation of energy efficiency opportunities.
- Test and evaluate the process, from lead generation through audit and implementation, to inform future refinements of the program that can be applied to WG&E and more broadly, to other MMWEC member municipalities.

Program Summary/ Design

WG&E will take a measured approach to implementing C&I energy efficiency programs in Westfield. In the first year of the pilot period, the program will be administered through a controlled process whereby customers submit an application, an energy audit is conducted, recommended measures are reviewed, selected measures are installed by a qualified vendor, and energy savings are tracked and verified. This process allows WG&E to control the number and type of measures funded, and provides WG&E the ability to catalogue the types of efficiency measures most prevalent in their service territory. This information may be used to develop prescriptive incentive programs in subsequent pilot years.

In 2010, the program design will consist of the following process:

- **Application:** Customers complete an application form that addresses key contact information, facility type and use, prior year energy usage, high level inventory and prioritization of energy using equipment, interest in renewable/alternative energy or CHP, any comfort, safety, productivity or performance issues or concerns, or any other specific client interests or needs
- **Intake:** Once an application is received, the project will be entered into the program tracking database. Baseline energy use will be recorded and compared to buildings of similar size and use.
- **Investigation:** A comprehensive energy audit will be scheduled and conducted by a program ally with extensive experience in energy auditing and identification of energy efficiency measures. The energy audit will include evaluation of mechanical, electrical, and thermal systems, as well as consideration of any specific areas of interest noted by the customer in the initial application. The cost of the audit will vary based on the size and complexity of the facility, as well as the scope of the audit. The scope and cost of the audit will be reviewed with, and approved by the client prior to conducting the audit.
- **Energy Audit Report:** Completed audit reports will be uploaded to the program tracking database and submitted to the client. Audit reports will include analysis of baseline energy usage, identification of energy efficiency opportunities, projected energy savings, measure installation costs, and simple project economics. Recommended measures, energy savings, and costs will be entered into the program tracking database for consideration
 - Note: ALL projects for which energy audits are conducted between July 1, 2010 and November 1, 2010 will be placed into a “pool” of projects that will be considered for rebates after November 1, 2010.

**This document represents the Proposed Pilot Design as of June 28, 2010. Incentives and Program Delivery are subject to change as the process is evaluated and refined



	<ul style="list-style-type: none"> • Evaluation and Award Selection: After November 1, 2010, WG&E will review all of the projects for which energy audits have been conducted between July 1st and November 1st and will determine which projects and measures therein will be incentivized. The determination of which projects and measures will be funded, and the maximum amounts to be allocated will be based on the number of applications and measures identified. As guiding principles at this time, WG&E intends to provide incentives to improvements that are cost effective in order to most efficiently utilize available budgets. Incentives will not be offered if the incentive would reduce the simple paybacks to less than one-year. • Installation: Once WG&E has identified which measures will be incentivized, it is the customer's decision as to what measures to have installed based on project economics. An agreement between WG&E and the customer will be prepared prior to measure installation that outlines the scope of work and cost sharing commitments. Customers may utilize contractors with whom they have existing relationships, or a qualified vendor who is an ally of the program will be recommended. • Verification: Once the measures have been installed, a WG&E employee or representative will visit the site to confirm that the measures have been installed and are working properly. Once the measures have been verified, incentive payments will be made to the installing contractor. <p>Projects that are not selected for funding in year one are eligible to resubmit the completed audit reports in subsequent program years. All projects will be recorded in the customized program tracking database to track project status, measures installed, and funds committed.</p>
Target Market	All non-residential customers – commercial, industrial, governmental, and institutional, with single month energy consumption greater than or equal to 4,000 kWh, or on a demand tariff. Multi-family building owners are eligible to participate in this program.
Marketing Approach	Throughout the term of the three year pilot program, customer participation levels will be closely monitored to ensure program targets are met and incentive expenditures are on track with those budgeted. Marketing efforts will be adjusted as required throughout the term of the program to allow WG&E to realize its participation target goals.
Target End Uses	Target end uses include, but are not limited to building envelop, lighting and lighting controls, motors and drives, HVAC equipment, energy management systems, compressed air, furnaces and boilers, additional unique industrial processes, and site-specific custom measures (CHP, renewable, etc.)
Financial Incentives	<p>50% of the cost of the energy audits will be co-funded up to a maximum of:</p> <ul style="list-style-type: none"> • \$7,500 for large customers (Demand >250KW) • \$4,000 for medium customers (Demand <250 KW) <p>Individual measures will be incentivized at the discretion of WG&E according to such criteria as simple payback, measure cost, available funding, etc., up to a maximum of 50% of the total measure costs. Incentives will not be offered if such incentives would reduce the simple payback to less than one-year.</p>
Delivery Mechanism	Installation of measures may be conducted by qualified contractors with whom the customer has an existing relationship, or through contractors who have been pre-selected by WG&E. Energy audits will be conducted by a pre-selected engineering firm with whom MMWEC has a standing relationship.

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