



***2008 Large Commercial and  
Industrial Standard  
Offer Program***

*ONCOR ELECTRIC DELIVERY COMPANY  
SEPTEMBER 2007*

## Personnel



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# **Oncor Electric Delivery is Regulated by PUCT**



## **Public Utility Commission of Texas Approved Energy Efficiency Programs**

### **Oncor Electric Delivery - 2008 Programs:**

- **Commercial & Industrial Standard Offer Program**
- **Residential & Small Commercial Standard Offer Program**
- **Hard to Reach Standard Offer Program**
- **Emergency Load Management Standard Offer Program**
- **Energy Star Homes Market Transformation Program**
- **AC Installers Program Market Transformation Program**
- **Research and Development**
- **AC Dealers Commercial Market Transformation**
- **Other templates may be forthcoming**

## Program Objective



- **The main goal of the C&I SOP is to reduce summer peak demand in the Oncor Electric Delivery service area. Additional program objectives are to:**
  - **Encourage private sector delivery of energy efficiency products and services.**
  - **Achieve customer energy and cost savings.**
  - **Create a simple and streamlined program process to stimulate strong program participation from energy efficiency service providers.**
  - **Significantly reduce barriers to participation by streamlining program procedures and M&V requirements.**

# Budgets and Incentives



## C&I Incentive Budget:

**2007**

**2008**

**~\$8,300,000**

**~12,250,000**

## Incentive for on-peak demand savings:

**\$150/kW    \$198/kW**

## Incentive for energy savings:

**\$0.040/kWh    \$0.067/kWh**

# C&I Program Goals and Objectives



- **Reduce Oncor Electric Delivery's Summer Peak Demand Requirements**
- **Maximize Customer Energy and Bill Savings**
- **Minimize M&V Burden on Participants**

## Timeline for Program Rollout



- **Program Opening October 1st, 2007**
- **Immediate acceptance of projects**
- **Notification the 1st of September as to the incentives and program changes for 2008 by e-mail and program postings**
- **Additional outreach meetings to allow one on one questions and the availability of Service Providers to visit with the Program Manager about concerns**

## Program Enhancements



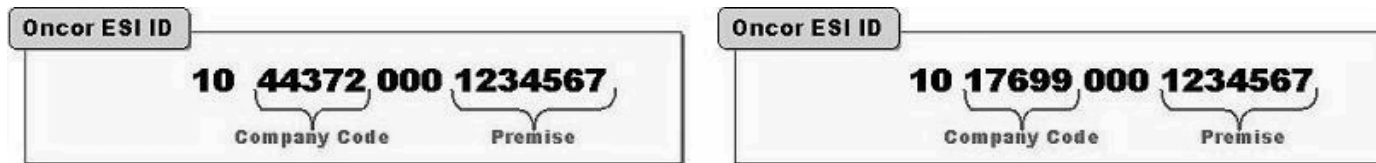
- **Incentives have been increased as previously noted**
- **Budget has been expanded**
- **One contract per Service Provider with approval of first Initial Application, addendums on a per project basis**

# 2008 Commercial and Industrial Standard Offer Program



- **Projects will be funded starting October 1<sup>st</sup>, 2007**

(Oncor Electric Delivery's wires customers only)



- **Program targets retro-fits and new construction**
- **Last date for applications, Depends on money, measures installed, new rules pre PUCT**
- **Standard Contract Addendum- within 120 days or less**
- **Installation notice should be submitted within 90 days of signing the Standard Contract Addendum**

## Service Provider's



- **National or local energy service companies (ESCOs)**
- **National or local companies that provide energy-related services (e.g., contracting) or products (e.g., lighting, HVAC equipment), consultants, engineering firms**
- **Individual customers that implement energy efficiency measures in their own facilities**
- **Retail Electric Providers**

# Program Participant Qualifications



**Service Providers must have the following<sup>1</sup>:**

- **Evidence of good credit rating**
- **List of references**
- **Evidence of necessary insurance**
- **Must hold all applicable licenses**
- **Evidence of all building permits**

<sup>1</sup>(For self-sponsors, only last two items will be required.)

## **Elements of the 2007 C&I Standard Offer Program**

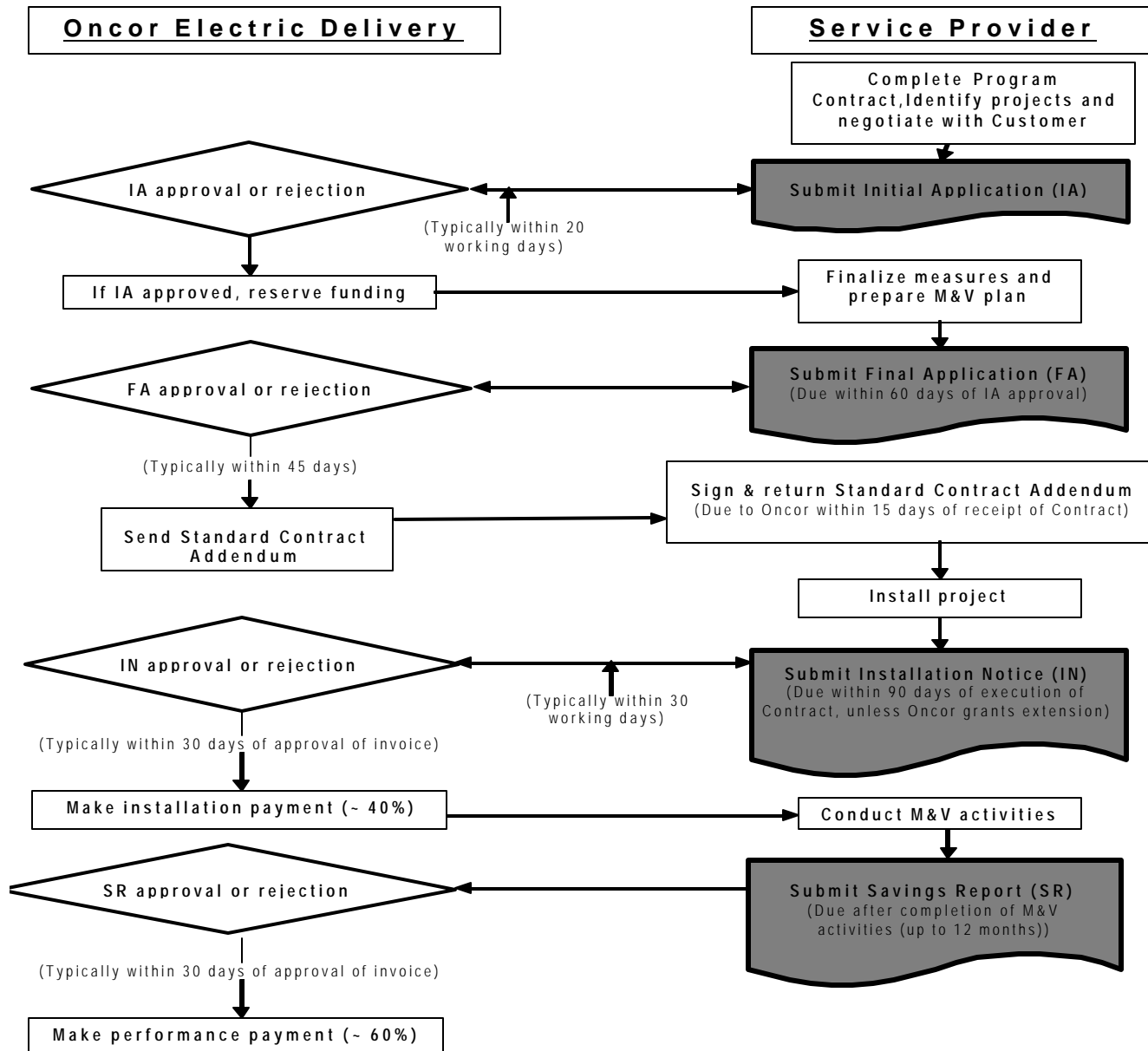


- Applications considered on per-project basis; First-Come, First-Served, no lottery considered**
- Number of participants limited only by available incentive dollars.**
- Project descriptions, inspections and customer approval required before standard contract addendum is signed and construction start.**
- Different from rebates: based on performance**
- May end early or be restructured with new PUCT guidelines being published, existing projects not effected**

# Program Flow Chart



Figure 2.1 Commercial and Industrial Standard Offer Program Process



## Typical Project Requirements



- **A work plan that covers the design, implementation, operation, and management of the project.**
- **Must save at least 20 kW on-peak demand reduction per project, may include multiple sites**
- **Measures must be approved by Oncor Electric Delivery**
- **Application requires a 5% deposit**
- **Completion by December 1, 2008**

## Deadlines



- **Initial Application, deposit and all documentation due within 10 working days after the submittal**
- **Final Application, due within 60 days after the Initial Application acceptance letter is mailed**
- **Installation Notice, due within 90 days after the contract is signed**
- **Savings Report, due within 30 days after the end of the M&V period defined in the contract.**
- **Request for additional information, within timetable requested. This includes information for re-inspections.**

## Incentive Limitations



- **20% of Budget/Sponsor (\$2,450,000)**
- **Load Factor of 100% of on-peak demand saved for energy allowable (8,760 kWh's/kW saved)**
- **\$784.92/kW, includes demand and energy**
- **\$510.20/kW lighting only projects**
- **65% limitation on Lighting incentives**

## Program Sponsor Payments



- **How will I get Paid?**
- **40% of Installation Notice approved incentive if not deemed upon approval of IN**
- **Remaining of the proven savings paid with an accepted Savings Report, up to contract amount.**
- **Deposit refunded if 80% or more of the IA in the FA, if not, a partial default, 75% of the contracted kW has been achieved, with an accepted Savings Report**
- **All payments to Service Provider**

# Deposit Forfeit Example



IF  $\left( \frac{FAIncentiveDollars}{IAIncentiveDollars} \right) < 0.80$  then the amount forfeited at the FA is:

$$\left[ 1 - \left( \frac{FAIncentiveDollars}{IAIncentiveDollars} \right) \right] * IA \text{ Incentive Dollars}$$

**If you had a IA for \$100,000 with a \$5,000 deposit and a FA for \$60,000 then the amount of forfeit would be:**

$$1 - \frac{\$60,000}{\$100,000} * \$5,000 = \$2,000$$

**The remaining \$3,000 would then be refundable if 75% of the contracted kW is approved in the Savings Report.**

## Eligible Energy Efficiency Technologies



- **Retrofits and new construction**
- **Save demand during on-peak period (May 1 through September 30, 1-7 p.m.)**
- **Expected measure life of at least 10 years**
- **Involve capital investment**
- **Fuel switching, from electric to gas only**
- **Maximum of 65% of incentives may come from lighting efficiency and lighting controls measures for full incentive**

## Ineligible Technology Types



- **Self-generation or cogeneration**
- **Projects involving plug load**
- **CFL's (Compact Fluorescent Lights) unless hard wired**
- **Savings as a result of operational or behavioral changes**
- **Off doesn't count**

## Typical Projects



- **Lighting Upgrades & New Const**
- **HVAC Upgrades & New Const**
- **Energy Star<sup>®</sup> Roofing Retrofits**
- **Process Upgrades**
- **Traffic Signal Lighting Upgrades**
- **Air Compression System Upgrades**
- **Window Film**
- **Master Metered Apartment Measure**
- **Non-typical Projects Allowed**

## Deemed Savings Available



### Lighting-9 Categories

- Office, K-12, In-Patient, Retail, 24 hour supermarket, Higher Education, Non-24 hour Restaurant, Parking Structure, Signal Lighting

### Cooling-17 Categories

- College, Convenience, Fast Food, Grocery, Hospital, Hotel, Large Office, Motel, Nursing Home, Public Assembly, Religious Worship, Restaurant, Retail, School, Service, Small Office, Warehouse

# Typical Inventory Sheets Required



**E1.xls for Lighting Upgrades**

**N1.xls for New Construction Lighting**

**E2.xls for Motor Upgrades**

**E3.xls for Cooling Equipment (3 versions)**

**E4.xls for Window Film**

**E5.xls for Energy Star Roofing**

**E6.xls for Master Metered Apts Air Infiltration**

**E7.xls for Master Metered Apts Duct Sealing**

**E8.xls for Master Metered Apts Attic Insulation**

**All files available at:**

**<http://www.oncor.com/electricity/teem/services/candi/standards.aspx>**

## Changes in 2008



- **No Lottery Considered**
- **New Contract Procedures**
- **New Insurance Requirements**
- **May End Early**
- **Goals increased 50%**

## Changes Considered by PUC



- **Redefine the on-peak period as 1PM to 9PM, weekdays, May thru September, excluding weekends and Federal holidays**
- **Expand eligible measures, i.e., demand and energy goals**
- **Removal of “industrial” customers from being incented, industrial currently undefined**

## Program Site



- **<http://www.oncor.com/electricity/teem/services/candi/>**

**This is the location of the over-all program**

- **<http://candi.oncor.com/login.asp>**

**This is the link to the log-on area to sign up to be a  
Service Provider and submit projects for incentives**