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Peak Demand Rebate Program

Fact Sheet

The **Peak Demand Rebate** (PDR) program is a demand-side management (DSM) opportunity sponsored by Springs Utilities (SU) with the goal of obtaining on-peak summer electric demand reduction. Program participants provide verified electric demand savings through the installation of eligible DSM measures (energy-efficiency and/or load-shifting) in return for a **$400 per kW incentive.**[*] The incentive payment is intended to defray the cost of the measures. The PDR program is a custom rebate program designed to provide flexibility in terms of eligible measures.

This is a multi-year program integral to our Electric Integrated Resource Plan, but is contingent each year on available funding and Utilities Board approval.

- Eligible measures:
    - Must be installed in commercial, institutional, or industrial facilities located in the Springs Utilities service territory.
    - The program applies to all Springs Utilities Customers with demand meters, including the following rate schedules: Commercial Service – General – Time-of-Day Option (ETC), Industrial Service – Time-of-Day 1,000 kWh/Day Minimum (ETL), Industrial Service – Time-of-Day 500 kW Minimum (E8T), Industrial Service – Time-of-Day 4,000 kW Minimum (E8T), and Military Contract Service (ECD). The demand meter requirement allows Springs Utilities to verify the results.
    - Minimum 10kW peak demand reduction.
    - The peak demand reduction is calculated in reference to minimum new equipment efficiency and/or building code standards.
    - Must reduce electric demand during Springs Utilities' summer peak demand period, defined as 3 to 6 p.m., Monday through Friday, from June 15 through September 15, except federal holidays. Rebates are based on the weighted average demand reduction achieved during peak demand period and are intended to persist throughout that period.
    - May be installed as part of either a retrofit, addition, renovation, or new construction project.
    - Must have a useful life of and be kept in service for at least 10 years.
    - Include (but are not limited to) the following examples:
        - Chiller replacement with a more efficient chiller
        - Packaged cooling unit replacement with a more efficient unit
        - Motor replacement with a premium efficiency motor
        - High-efficiency fluorescent lighting (including pin-based Compact Fluorescent Lamps)

[*] Lighting measures effectively receive slightly less than $400 per kW. A fraction of affected lights are deemed operational during the program's peak period based on standardized diversity factors found in the Program Manual.

- High-efficiency screw-type lighting (including Compact Fluorescent Lamps and High Intensity Discharge) [†]
- Refrigeration compressor and condenser replacement with more efficient units
- Installation of permanent shading devices that reduce cooling loads
- More efficient process equipment
- Installation of direct or indirect evaporative cooling systems in place of vapor compression cooling
- Installation of thermal storage devices
- Evaporative pre-cooling systems for large air-cooled HVAC cooling equipment.
- Substituting another fuel source for electricity (fuel switching) [‡]

- Ineligible measures include those that:
  - Provide demand savings, but not during the summer peak period.
  - Rely solely on changes in customer behavior or equipment scheduling (automatic controls, automatic load-shedding equipment, dimming, window blinds).
  - Require no capital investment (for example, lighting fixture removal without additional lighting replacement).
  - Merely terminate existing processes, facilities or operations.
  - Are required by state or federal law, building or other codes, or are standard industry practice. This program is not intended to pay for projects that the customer would be doing anyway.
  - Involve plug loads (devices that can be unplugged, but just as easily plugged back in; also computer inactivity controls).
  - Receive a rebate through any other energy efficiency or DSM program offered by Springs Utilities for the same work.
  - Generate electricity, including cogeneration or renewable energy generation.
  - Achieve savings through equipment maintenance, commissioning, or operational changes, without an equipment efficiency or load shifting upgrade.
  - Are easily reverted or removed (screw-in Compact Fluorescents Lamps).

- Participants in the program:
  - May be a Springs Utilities customer or a third-party contractor designated to represent the customer.
  - Must maintain accounts in good standing.
  - Must comply with all program rules and procedures.
  - Must submit documentation describing their projects, with necessary calculations to justify demand savings.

[†] Since screw-type bulbs can easily be replaced with the original technology, a customer affidavit will be required certifying that the customer agrees to replace any failed units with like kind technology for a minimum of 10 years. Springs Utilities may also require follow-up inspections at any time with advanced notice in subsequent years and may require repayment of the rebate if the customer has replaced the units with the prior technology.

[‡] Subject to approval by Springs Utilities on a case-by-case basis.

- Must receive pre-approval for proposed projects prior to purchasing and installing equipment. Retro-active rebate submissions will not be considered.
- Must enter into a PDR Program Agreement with Springs Utilities,
- Are responsible for measurement and verification (M&V) of peak demand savings. For lighting measures, equipment specifications (wattage tables) of the 'before' and 'after' equipment satisfy the M&V requirement. For measures that do not necessarily or always draw nameplate power, such as HVAC and mechanical loads, M&V will require additional data to establish actual before and after loads during peak times; examples include load calculations stamped by a PE, certified equipment performance data prepared by the equipment manufacturer, or field measurements using data loggers.

- Rebates are distributed in two payments: [§]
  - Installation Payment – One half of estimated award payment will be made upon completion and inspection of the DSM project.
  - Performance Payment – The remaining award payment will be made after all necessary measurement and verification (M&V) activities are completed. If demand savings are less than anticipated, the installation payment may be reduced accordingly.
- Participation in the program involves five basic phases:
  - Participant prepares and submits a Preliminary Installation Report (PIR), which includes an M and V Plan and Host Customer Agreement signed by the customer.
  - Participant enters into a PDR Program Agreement with Springs Utilities.
  - Springs Utilities reviews and approves the PIR, then sends a Notice to Proceed to the participant. Springs Utilities' review includes savings estimates, and an M and V plan. Springs Utilities may require additional submission material if not complete or satisfactory.
  - Participant installs the project and submits an Installation Report (IR) to receive the Installation Payment after review and approval by Springs Utilities. Springs Utilities' verification of the installation is required.
  - Customer conducts necessary M and V activities at the project site and submits a Verification Report (VR) for the remaining performance payment, after review and approval by Springs Utilities.
- The Verification Report deadline is as follows for each program year:

Program Year	Verification Report Deadline (Lighting Projects)	Verification Report Deadline (All Other Projects)
2005	December 8, 2005	December 8, 2005
2006	November 31, 2006	October 31, 2006
2007	November 31, 2007	October 31, 2007
2008	November 31, 2008	October 31, 2008
2009	November 31, 2009	October 31, 2009

- Mechanical system program rules:
  - Demand savings calculation methodology: If envelope and/or energy demand is higher than ASHRAE 90.1 (Performance Method - Point System), then demand savings is de-rated based on the

[§] In the case of lighting projects, rebates are distributed in a single payment, the Total Award Payment.

factor, “proper sizing”/actual sizing, where “proper sizing” is defined as re-running the load calculations with ASHRAE 90.1 prescriptive values for envelope components and/or lighting budgets.

- Applies to mechanical system additions, renovations, and new construction applications.
- Does *not* apply to component replacement

- Mechanical load diversification: The PDR participant must provide engineering calculations for the mechanical load diversification accompanied with a P.E. stamp. If this information is not provided a standard deduction of 30% (factor = 0.7) will be applied to the mechanical system load diversification rebate.

- Other program rules include:
  - Projects must be approved and completed within the same calendar year.[**]
  - Projects are approved and funds are reserved on a first come, first served basis.
  - The maximum rebate a project may receive is 50 percent of the calendar year rebate budget.
  - If no rebate funds remain at the time a project is submitted, the participant will be placed on a waiting list and admitted into the program in the following year, contingent on program funding.
  - Participants must submit itemized receipts or purchase orders for all measures rebated under the program, upon submittal of the installation report following project completion.
  - For tax purposes, participants must submit a completed W9 form upon submittal of the installation report following project completion.
  - Where appropriate, Participant will adhere to Illuminating Engineering Society of North America (IES) illuminating design standards, including appropriate light levels. The Owner should carefully review any proposed projects that reduce lighting levels and acknowledge that Springs Utilities is not providing lighting design services or implying any warranty of lighting adequacy as part of this rebate program.
  - Lighting fixture removal is eligible under the program with the following conditions:
    1. Fixture removal can not be the basis for meeting the 10 kW minimum threshold for qualification.
    2. The Total Award Payment cannot exceed the total project cost (equipment plus labor).
    3. Customer must submit an affidavit certifying that the demand savings from fixture removal will persist for a minimum of ten years.
    4. Springs Utilities reserves the right to inspect the facility, with advanced notice, at any time to confirm that fixture removal persists.

[**] For projects that overlap calendar years, contact the PDR program manager for options. For example, if portions of the project can be identified and quantified within a calendar year, it may be possible to receive a partial award in one calendar year and the remainder in the following calendar year.

- The PDR program process is illustrated as follows: