



HVAC System Optimization Program Guidelines

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The target of this program is HVAC systems in existing commercial buildings. It does not apply to new construction. This program completely stands alone and may not be used in conjunction with any other incentive programs. The following guidelines will generally apply. Exceptions will be handled on a case-by-case basis.

Small Buildings (less than 20,000 sqft):

1. An Assessment of the Customer's HVAC system(s) is completed. The Assessment must contain a description of Energy Conservation Measures (ECMs), energy savings (electrical and fossil fuel), cost to implement ECMs, paybacks, measurement and verification plan, and description of training and documentation to be provided to Customer.
2. Customer submits a completed HVAC System Optimization Application (Application) along with the Assessment.
3. Perennial determines incentive amounts based on the information contained in the Application, reserving the right to request information from the Customer and/or to make adjustments as necessary on the Application. Incentives will be provided for each ECM, based on the least of the following three criteria:
 - Annual kWh savings x (\$0.01/kWh year-round or \$0.02/kWh summer only) x Life of Measure
 - 50% of the ECM cost
 - Amount to bring the ECM down to a 2 year payback
4. Incentive amounts are shown on an HVAC System Optimization Incentive Agreement (Incentive Agreement) which is provided to the Customer.
5. Customer implements ECMs of their choosing. Upon completion of installation of the ECMs, Customer forwards invoices of equipment and material for Perennial's review. Note: The Service Provider for small building is not required to be on the List of HVAC System Service Providers.
6. All ECMs must be permanently installed within twelve (12) months of signing the Incentive Agreement.
7. An electric utility representative must perform visual verification of equipment after completion of installation.
8. Perennial reviews invoices and recommends payment of eighty (80) percent of the incentives by the local electric utility.
9. A case study is developed by Customer and/or Service Provider. The case study shall document post-implementation energy savings after one year of operation following completion of the ECMs.
10. In order for the final twenty (20) percent of the incentive to be paid, the Customer must agree that all training has been completed, building comfort is acceptable (within the capability of the HVAC system), and that all project documentation has been received. If so, the final incentive will be paid if 100% or more of the energy savings as estimated on the Application have been achieved.

Large Buildings (20,000 sqft or greater):

1. Customer completes an energy performance benchmark of the building(s) using ENERGY STAR's portfolio manager on-line tool (or other method if the building type does not exist in ENERGY STAR).
2. Customer submits Letter of Intent (LOI), indicating their desire to have an Evaluation of their building's HVAC system(s) completed. Customer designates their choice of firm to prepare the Evaluation (Service Provider). The type of Evaluation (either a Comprehensive Study or an Assessment) is selected on the LOI. Most buildings will utilize an Assessment. The Comprehensive Study is intended to be used for buildings with complex HVAC systems (e.g., hospitals).
3. Buildings with an Energy Performance Rating (using ENERGY STAR's Portfolio Manager) of 85 or higher are not eligible for an Evaluation incentive.
4. The Service Provider must be on the "List of HVAC System Optimization Service Providers" (List). The list does not constitute endorsement of these providers - only that they have met minimum requirements.
5. The minimum requirements for Service Providers are described in the Request for Information (RFI). Potential Service Providers may submit a response to the RFI at any time. Service Providers that are on the List are to submit a summary of their EnergyWiseSM HVAC system optimization projects, describing ECMs implemented and energy savings to date, by November 30th of each year.
6. Upon receipt of the LOI, the local electric utility confirms that the Service Provider is on the "List of HVAC System Optimization Service Providers", signs the LOI, and returns it to the Customer (providing a copy to NPPD). The Customer then authorizes the Service Provider to perform the Evaluation.
7. An incentive is available to offset the cost of the Evaluation. The amount of the incentive is the least of:
 - one half the cost of the Evaluation, or,
 - \$5,000In order to receive the Evaluation incentive, the Customer must agree to implement all ECMs with less than or equal to a two (2) year payback (with electric utility incentive included in the payback calculation).
8. The Evaluation must contain the following as a minimum: building square footage, monthly energy usage, benchmarking results from ENERGY STAR website, high level accounting of energy usage (e.g., lighting, fans, chillers, etc.), description of ECMs, energy savings (electrical and fossil fuel), cost to implement Energy Conservation Measures (ECMs), payback, measurement and verification plan, and description of training and documentation to be provided to Customer.
9. Customer submits a completed HVAC System Optimization Application (Application) along with the Evaluation.

10. Perennial determines incentive amounts based on the information contained in the Evaluation and the Application, reserving the right to request information from the Customer and/or to make adjustments as necessary. Incentives will be provided for each ECM, based on the least of the following three criteria:
 - Annual kWh savings x (\$0.01/kWh year-round or \$0.02/kWh summer only) x Life of Measure
 - 50% of the ECM cost
 - Amount to bring the ECM down to a 2 year payback
11. Incentive amounts are shown on an HVAC System Optimization Incentive Agreement (Incentive Agreement) which is provided to the Customer.
12. Customer lists the ECMs to be implemented and the Service Provider to facilitate implementation of the ECMs and manage the HVAC System Optimization process. The Service Provider must be on the "List of HVAC System Optimization Service Providers". Customer signs Incentive Agreement and returns it. Customer also forwards invoice for the Evaluation.
13. The local electric utility reviews the following:
 - a. On the Incentive Agreement, confirms that the Customer has chosen to implement, as a minimum, all ECMs with a payback of less than or equal to 2 years.
 - b. On the Incentive Agreement, confirms that the Service Provider chosen is on the List of HVAC System Optimization Service Providers.
 - c. The invoice for the Evaluation.Upon satisfactory review, the local electric utility signs the Incentive Agreement and returns it to the Customer (providing a copy to NPPD). Local electric utility also pays the Evaluation incentive.
14. Customer implements ECMs as per Incentive Agreement. Upon completion of installation of the ECMs, copies of invoices of equipment, material, and/or labor are forwarded to NPPD for review.
15. All ECMs must be permanently installed within twelve (12) months of signing the HVAC System Optimization Incentive Agreement.
16. An electric utility representative must perform visual verification of equipment after completion of installation.
17. Perennial reviews invoices and recommends payment of eighty (80) percent of the incentive amounts (as shown on the Incentive Agreement) by local electric utility.
18. Service Provider performs measurement and verification activities as described in the Evaluation.
19. After one year of operation following implementation of the ECMs, the Customer and/or Service Provider provides a Case Study for NPPD review. The Case Study must include: a short description of the ECMs implemented, charts of baseline energy consumption compared to post-HVAC System Optimization energy consumption for one full year of operation after completion of ECMs, and a comparison of the actual energy saved versus estimated energy savings.
20. In order for the final twenty (20) percent of the incentive to be paid, the Customer must agree that all training has been completed, building comfort is acceptable (within the capability of the HVAC system), and that all project documentation has been received. If so, the final incentive will be paid if 100% or more of the energy savings as estimated on the Application have been achieved.

General:

1. The local electric utility and NPPD reserve the right to take physical measurements of system operating parameters for a period of three (3) years after ECM implementation to ensure program goals are being met.
2. Program is subject to the Terms and Conditions as outlined on the application and to the General Guidelines.

For program compliance questions or concerns, contact:

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