


Consumers Energy Business Solutions

Energy Efficiency Incentive Program


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Everyone has the power to save.



Why an Energy Efficiency Program?

- MPSC 21st Century Electric Energy Plan
 - More electricity is needed “as soon as practicable.”
 - One way of achieving this objective is through energy efficiency programs.
- Public Act 295 – The Clean, Renewable, and Efficient Energy Act
 - Signed into law in October 2008
 - Includes an energy efficiency resource standard that requires utilities to meet specific energy savings goals.
 - Goals start at 0.3% of electricity sales in 2009 and ramp up to an annual electricity savings requirement of 1% of total sales by 2012.


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Why Energy Efficiency?

- Energy efficiency is the lowest cost, lowest risk, and cleanest resource for meeting future electrical demand.
 - Generate savings immediately.
 - Impact is measurable.
- Energy Efficiency is different than energy conservation.
 - Conservation is using less electricity by turning off lights.
 - Efficiency is using less electricity by utilizing more efficient equipment.


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Customer Benefits

- Allows you to upgrade or replace equipment or fixtures at a reduced capital cost.
- Provides long term energy savings.
 - Lowered electrical and natural gas bills compared to less efficient equipment.
- Reduces your carbon footprint.
 - Helps you to be greener, sending a positive message to your customers and employees.


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Business Solutions Targets and Budget

	2009	2010	2011
MWh Goal (thousands)	55	93	137
MCF Goal (thousands)	152	321	633
Approximate Incentive Budget (millions)	\$6	\$10	\$16

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What Business Solutions Incentives Are Available?

There are two types of Incentives

- Prescriptive Incentives
 - Think “off the rack,” get it and go
 - You install energy efficient equipment and achieve pre-determined savings and incentive levels
 - Incentives typically average 20% to 50% of the incremental cost of purchasing qualifying technologies
- Custom Incentives
 - Think “tailored,” custom fit to your business
 - Incentives are determined on a case-by-case basis
 - Must have a greater than one-year payback period and less than eight years

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Customer and Project Eligibility

- Most Consumers Energy electricity and gas business customers are eligible
- The applicant is the firm that purchases the EE measures that are installed at the facility served by Consumers Energy
- A qualifying facility has at least one meter on an eligible rate schedule
- Must meet various program requirements
- Customers who have decided to self direct are not eligible

Ineligible Projects

- Fuel switching (unless a self-direct customer)
- Load shifting/demand reduction with no energy savings
- Custom projects must have a capital investment, no operations and maintenance type of work
- Projects on an ineligible rate schedule

Incentive Caps and Limitations

- Custom Incentive must be ≤ 50% of the total project cost
- Prescriptive Incentive must be ≤ 100% of the total project cost
- Measures must be installed for five years or the life of the measure, whichever is less
- Funds reserved based on availability

Incentive Caps per Program Year	
Prescriptive Measures	\$100k per facility
Custom Measures	100% payout up to \$100k 50% payout above \$100k Maximum \$200k per facility
Total Incentive Cap	\$300k per facility \$500k per customer

*Facility is defined as a customer at a single address having contiguous property

How can I participate?

- **Step 1: Check Eligibility**
 - Non-residential facilities served by Consumers Energy
 - Projects must result in an improvement in energy efficiency
 - Equipment must meet the specifications
- **Step 2: Submit a Pre-notification Application**
 - Strongly recommended, and required for all new T8/T5 fixtures, permanent lamp removal, and custom projects
- **Step 3: Install equipment or perform project work**
- **Step 4: Submit a Final Application**
 - Submit all required supporting documentation
 - Receive incentive payment (4 - 8 weeks)

Application Submittal Tips

- Check customer eligibility and if proposed equipment is eligible
- Ensure project decision and activity occurred in 2009
- Take advantage of program technical support services
 - Questions on eligibility
 - Feasibility and cost effectiveness of proposed options
 - Calculating savings
 - Custom project documentation requirements
- Complete all application form requirements
- Sign all required sections
- Submit all required documents (specification forms, invoices, etc.)
- Forms are available in Excel and PDF

ASK QUESTIONS

Application Checklist Page

INCENTIVE APPLICATION CHECKLIST

<p>PRE-NOTIFICATION APPLICATION</p> <p>Required Attachments</p> <p><input type="checkbox"/> Customer/Contractor Information</p> <p>Incentives Worksheets</p> <p><input type="checkbox"/> Lighting</p> <p><input type="checkbox"/> HVAC (Electric)</p> <p><input type="checkbox"/> Gas</p> <p><input type="checkbox"/> Motors and Drives</p> <p><input type="checkbox"/> Miscellaneous Electric</p> <p><input type="checkbox"/> Custom</p> <p>Application Date: _____</p> <p>Expected Completion Date*: _____</p> <p style="font-size: x-small;">*Project funds will only be reserved for 90 days from date of Pre-Notification</p>	<p>FINAL APPLICATION</p> <p>Required Attachments</p> <p><input type="checkbox"/> Customer/Contractor Information</p> <p><input type="checkbox"/> Signed Final Application Agreement</p> <p>Incentives Worksheets</p> <p><input type="checkbox"/> Lighting</p> <p><input type="checkbox"/> HVAC (Electric)</p> <p><input type="checkbox"/> Gas</p> <p><input type="checkbox"/> Motors and Drives</p> <p><input type="checkbox"/> Miscellaneous Electric</p> <p><input type="checkbox"/> Custom</p> <p>Application Date: _____</p>
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FOR FINAL APPLICATION ONLY

MEASURE CATEGORY	INCENTIVE AMOUNT
Lighting	\$100
HVAC (ELECTRIC)	\$100
GAS (HVAC - WATER HEATING)	\$100
MOTORS & DRIVES	\$100
MISCELLANEOUS ELECTRIC	\$100
CUSTOM	\$100
TOTAL INCENTIVES	\$600

Total Prescriptive Incentives cannot exceed the project cost. Custom incentives cannot exceed 50% of the total project cost.

Incentive Application

CUSTOMER INFORMATION

BUSINESS TYPE

OFFICE <input type="checkbox"/> SCHOOL (K-12) <input type="checkbox"/> COLLEGE/UNIVERSITY <input type="checkbox"/> RETAIL/SERVICE <input type="checkbox"/> RESTAURANT <input type="checkbox"/> HOTEL/MOTEL <input type="checkbox"/> Natural gas provider Consumers Energy <input type="checkbox"/> DTE Energy <input type="checkbox"/> (Other) <input type="checkbox"/>	MEDICAL <input type="checkbox"/> GROCERY <input type="checkbox"/> BAR/BROUSE <input type="checkbox"/> LIGHT INDUSTRY <input type="checkbox"/> HEAVY INDUSTRY <input type="checkbox"/> Miscellaneous <input type="checkbox"/> Electricity provider Consumers Energy <input type="checkbox"/> DTE Energy <input type="checkbox"/> (Other) <input type="checkbox"/>
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Project Type

Existing Building <input type="checkbox"/> New Construction <input type="checkbox"/> Major Renovation <input type="checkbox"/>
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NAME OF APPLICANT'S BUSINESS _____

PROJECT NAME (IF APPLICABLE) _____

CONSUMERS ENERGY CONTRACT ACCOUNT # (where measure is installed) _____	NAME AS IT APPEARS ON CONSUMERS ENERGY BILL _____
TAXPAYER ID # (SIN/PTEN) _____	TAX STATUS - Corporation (C), P.C. (S), Tax Exempt (Individual, Other (Specify measure 1000)) _____

NAME OF CONTACT PERSON _____	TITLE OF CONTACT PERSON _____
CONTACT PHONE # _____	CONTACT FAX # _____
CONTACT EMAIL ADDRESS _____	

INSTALLATION ADDRESS _____	CITY _____	STATE _____	ZIP _____
MAILING ADDRESS _____	CITY _____	STATE _____	ZIP _____

Payment Release Authorization

PAYMENT RELEASE AUTHORIZATION (OPTIONAL)

Complete this section ONLY if incentive payment is to be paid to an entity other than the Applicant.

I am authorizing the payment of the incentive to the third party named below and I understand that I will not be receiving the incentive payment. I also understand that my release of the payment to a third party does not exempt me from the program requirements outlined in the Measure Specifications, Final Application Agreement and Terms & Conditions.

Authorized by _____

APPLICANT	PRINT NAME	DATE
Check should be made payable to:		
PAYEE: COMPANY/INDIVIDUAL NAME		
MAILING ADDRESS		
CITY	STATE	ZIP
CONTACT PHONE NUMBER		
TAXPAYER ID # (SIN/PTEN OF PAYEE)	TAX STATUS - Corporation (C), P.C. (S), Tax Exempt (Individual, Other (Specify measure 1000))	

Final Application Agreement

As an eligible Consumers Energy customer, I certify the outlined energy efficiency measures were installed in 2009. The energy optimization measures are installed in a qualifying facility and not for resale. Additional program terms and conditions can be found in the Policy and Procedures Manual available at ConsumersEnergy.com.

I understand that in this event the application is based on a reservation, that reservation is not a guarantee of payment. Incentive payment will be based upon the Final Application meeting the program terms and conditions.

Below are terms and conditions that include:

- Final Applications and all required documentation must be received within 90 days of project completion.
- The program has a limited budget, but is a multi-year program. Applications will be processed until allocated funds are reserved or spent each program year.
- All equipment must be purchased and installed prior to submitting the Final Application.
- Applicant agrees to inspection and measurement activities by the utility or their representatives of both project payment and equipment eligibility for up to five years.
- Incentives may be taxable and the Applicant is solely responsible for the payment of any resulting taxes. Incentives will be reported to the IRS unless applicant is exempt.
- The applicant may be required to refund some or all of the incentives if the measures do not remain (or were not installed for a period of the 20 years or the end of the product life, whichever is less).
- All materials removed, including lamps and PCB ballasts, must be permanently taken out of service and disposed of in accordance with local codes and ordinances. The applicant is responsible for being aware of any applicable codes or ordinances. Information about hazardous waste disposal can be found at: www.epa.gov/osw/hswwrsk.htm.
- For certain measures, the incentive amount will be determined based on the estimated energy savings. The Applicant may be required to provide documentation on energy savings calculations and assumptions. Consumers Energy will make the final determination of the energy savings and thus the incentive amount to be paid.
- Consumers Energy has no obligations regarding and does not endorse or guarantee any claims, promises, costs, or equipment made, performed, or furnished by any contractors or equipment vendors that will or install any energy efficiency measures.

I have read and understand the program requirements and Measure Specifications and Program Guidelines set forth in this application and the program Policy and Procedures Manual and agree to abide by those requirements. Furthermore, I consent that my request of eligibility status in order to be paid under this program and not receive incentives from any other utility for the same project.

I certify that the information on this application is true and accurate. By submitting this application, I authorize Consumers Energy to utilize my account information and project data, to disclose this information to affiliates and to only be used to evaluate my application for compliance with the program Policy and Procedures Manual.

Prescriptive Applications

What Are The Eligible Prescriptive Measures?

Prescriptive measures are offered on per unit basis

- Lighting
- HVAC (electric and gas)
- Motors & Drives
- Water Heating
- Miscellaneous


Lighting Applications

LIGHTING RETROFIT INCENTIVES WORKSHEET

Equipment Type	Incentive	Unit	# of Units	Incentive Calculated
Compact Fluorescents				
CFL (Screen to CFL health or area)	\$1.50	Lamp		\$0.00
CFL Specialty (downlight, 3-way, dimmable)	\$4.00	Lamp		\$0.00
Compact Fluorescent Fixture	\$22.00	Fixture		\$0.00
Standard Linear Fluorescent Retrofit				
4-foot T12 to T8 (with ballast)	\$3.00	Lamp		\$0.00
4-foot T12 to T8 (with ballast)	\$3.00	Lamp		\$0.00
4-foot T12 to T8 (with ballast)	\$4.00	Lamp		\$0.00
4-foot T12 to T8 (with ballast)	\$5.00	Lamp		\$0.00
High Performance (HP) and Reduced Wattage (RW) Linear Fluorescent Retrofit				
4-foot T12 to HP or RW T8 (with ballast)	\$5.00	Lamp		\$0.00
4-foot Standard T8 to Reduced Wattage T8 (lamp only)	\$0.75	Lamp		\$0.00
Permanent Lamp Removal*				
T12 2L Lamp Removal (combined with T8 ballast retrofit)	\$4.00	Lamp removed		\$0.00
T12 3L Lamp Removal (combined with T8 ballast retrofit)	\$4.00	Lamp removed		\$0.00
T12 4L Lamp Removal (combined with T8 ballast retrofit)	\$5.00	Lamp removed		\$0.00
T12 5L Lamp Removal (combined with T8 ballast retrofit)	\$5.00	Lamp removed		\$0.00
Exit Signs Retrofit				
LED, T-1, or Electroluminescent Exit Signs	\$12.50	Fixture		\$0.00
Traffic Signals				
LED Traffic Signal	\$25.00	Signal		\$0.00
LED Pedestrian Signal	\$25.00	Signal		\$0.00
Controls				
Occupancy Sensors	\$0.08	Watts Controlled		\$0.00
T8/T5 New Fluorescent Fixtures (Includes HID to Fluorescent conversions)**				
Fixture, Fixture Ballast, Quantity and fixture wattage for both new and replaced fixtures	\$0.35	Watts Reduced		\$0.00
Total Lighting Incentives:				\$0.00


Compact Fluorescent Lamp (CFL)

- Up to 75% Savings
- < 6 month payback
- \$1.50 per lamp incentive
- Needs to be ENERGY STAR® qualified
- Max: 30 Watts allowed




T8 Lighting

- 30% to 40% Savings
- \$3 to \$5 per lamp incentive
- More light (higher lumens per Watt)
- Better quality




Exit Signs

- LED, T-1, or Electroluminescent
- 70% to 90% Savings
- Three to Four Year Payback
- \$12.50 per sign incentive
- Maintenance Savings



Occupancy Sensors

- 20% to 60% savings
- One to two year payback
- \$0.08 per watts controlled incentive
- Provide inventory of controlled fixtures (wattage and quantity)



HVAC Applications

Some Eligible Measures

- Unitary and Split AC Systems
- Air- and Ground-Source Heat Pumps
- Air- and Water-Cooled Chillers
- Room AC
- Package Terminal AC and Heat Pumps
- Programmable Thermostats
- Guestroom Energy Management Controls
- Steam Traps
- Space Heating Boilers
- Boiler Controls
- NEMA Premium-efficiency Motors
- Variable Frequency Drives

HVAC (Gas) Worksheet

Equipment Type	Incentive	Unit	# of Units	Incentive Calculated
Steam Traps				
Steam Trap Test	\$5.00	Unit		\$0.00
Leaking Steam Trap Repair or Replacement	\$50.00	Unit		\$0.00
Space Heating Boilers				
High Efficiency Boilers (see specifications)	\$3.00	kBtu/hr		\$0.00
Boiler Controls				
Boiler Tune-Up	\$250.00	Unit		\$0.00
Boiler Modulating Burner Control Retrofit (5:1 or 10:1 turn-down)	\$1,250.00	Unit		\$0.00
Boiler Water Reset Control	\$300.00	Unit		\$0.00
Other				
Pipe Wrap - Steam Boiler	\$4.00	Linear feet		\$0.00
High Efficiency Furnace or Rooftop Unit (≤ 200 kBtu/hr)	\$350.00	Unit		\$0.00
High Efficiency Furnace or Rooftop Unit (> 200 kBtu/hr)	\$1.75	kBtu/hr		\$0.00
Infrared Heaters*	\$5.00	kBtu/hr		\$0.00
Programmable Thermostat*	\$50.00	Unit		\$0.00
Hotel Guestroom Occupancy Sensor (Gas Heat)	\$65.00	Unit		\$0.00
Total HVAC Incentives:				\$0.00

HVAC (Electric) Worksheet


Equipment Type	Size Category	Qualifying Efficiency	Incentive (per ton)
Unitary and Split Air Conditioning Systems	1-10,000 Btu/h (1-4 tons)	14.7 SEER	\$30.00
	10,000-15,000 Btu/h (3-4 tons)	14.1 SEER	\$40.00
	15,000-20,000 Btu/h (3-5 tons)	13.6 SEER	\$40.00
	20,000-25,000 Btu/h (3-5 tons)	13.1 SEER	\$30.00
Air Source Heat Pumps	1-10,000 Btu/h (1-4 tons)	14.0 HSPF	\$40.00
	10,000-25,000 Btu/h (3-5 tons)	13.5 HSPF	\$30.00

Equipment Type	Size Category	Qualifying Efficiency	Incentive (per ton)
Room Air Conditioners	All	Energy Star (Tier 1)	\$30.00
Heat Pumps, Central Air Conditioning	All	See Spec. (Tier 1/2)	\$20.00
Package Terminal Heat Exchangers	All	See Spec. (Tier 1/2)	\$20.00

Equipment Type	Size Category	Qualifying Efficiency	Qualifying Incentive (per ton)	Incremental Efficiency Unit	Incentive per Incremental Efficiency Unit (per ton)
Ground Source Heat Pump	All	ESR1 or 17	\$30.00	0.1 Btu/h Increase	\$1.00
Air Cooled Chiller	All	PLV + 1.24 kWh/ton	\$30.00	0.01 kWh/ton PLV Reduction	\$2.00
Water cooled Chiller	All	See Spec.	\$30.00	0.01 kWh/ton PLV Reduction	\$2.00


Unitary and Split Air Conditioning and Heat Pump Systems

- Up to 75% savings
- \$30 to \$40 per ton incentive
- Must meet ARI Standards and be UL Listed
- Measures that qualify for **custom only**:
 - Water-cooled systems
 - Evaporative coolers
 - Water source heat pump




Programmable Thermostat

- 1% to 2% savings
- Six month payback
- \$50 per unit incentive
- Better control and comfort
- www.energystar.gov



High Efficiency Furnace/Rooftop

- 15% Savings
- Four to six year payback
- \$350 per unit ≤ 200 kBtu/hr + \$1.75 per kBtu/hr for units > 200 kBtu/hr incentive
- Furnaces vary output by utilizing a variable speed blower motor
- Must be 92% AFUE or greater
- Must have a sealed combustion unit



Infrared Heaters

- 5% Savings
- Two to three year payback
- \$5 per kBtu/hr incentive
- High intensity and low intensity heaters are eligible
- Low intensity units must use outside non-conditioned air for combustion

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Energy Efficient Motors

- Up to 5% savings
- One to six year payback
- \$4 to \$10 per hp incentive
- Eligible: NEMA Premium
 - 3-phase AC induction motors
 - 1-250 horsepower
 - Open/closed classifications

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Variable Speed Drives

- Up to 75% savings
- One year payback
- \$60 per controlled hp incentive
- Better Control
- Eligible:
 - VSDs on HVAC fans and pumps
- NOT Eligible:
 - VSDs on new equipment
 - Non-HVAC motors (see Custom)

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Custom Incentives

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What Are The Eligible Custom Measures?

Capital investment measures that **increase energy efficiency** and are **not eligible for a prescriptive incentive**.
Eligible Incentive Measures include:

<ul style="list-style-type: none"> • Process improvements • New technology applications • Air compressor controls and end use reduction improvements • Refrigeration 	<ul style="list-style-type: none"> • Chiller plant optimization • Cooling tower optimization • Window replacements • Insulation improvements • Heat recovery projects
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Custom Incentives

- Incentives based on **annual energy savings** on a **per-kWh or per MCF basis**
- This program addresses almost any energy efficiency measures excluding those eligible for prescriptive incentives
- **Custom incentive amounts**
 - \$0.08/kWh
 - \$4.00/MCF
- **\$200,000/year per facility** maximum custom project incentive
 - 100% of the first \$100K and 50% of amount above \$100K
- **One year minimum and eight year maximum project payback**
- Capped at 50% of project cost

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How Do The Custom Incentives Work?

- Estimated annual energy (gas and electric) savings for the project
 - Project team provides assistance
- Submit a pre-notification application to reserve funding
 - Program team verifies baseline conditions
- Complete project
- Submit a final application with documentation to support energy savings calculations
 - Program team approves annual saving estimates
- Get paid !!!

Sample Custom Projects

- Water-side and air-side economizer
- Exhaust heat recovery
- Constant volume to variable volume water or air distribution
- Variable-speed control on non-HVAC motors
- Food service equipment
- Upgrade of a refrigeration compressor
- Air compressor improvements

Sample Custom Lighting Projects

- T8 high output lamps
- U-tubes lamps
- Controls – daylighting, timeclock, EMS
- LED Lighting
- Induction, ceramic or pulse start metal halide, cold cathode, etc.
- Considering adding new construction concepts

Thank You!

Consumers Energy Contact Information

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