



SP Energy and Water Work Group Breakfast Meeting

# Commercial & Industrial Energy Optimization Programs

May 2, 2011



## Agenda

- Introduction
- DTE Energy Your Energy Savings Program Overview
- 2011 Program Changes
- Making the Program Work For You
- Q & A
- Closing





# DTE Energy Your Energy Savings Program Overview



# **Key Energy Optimization (EO) Elements of Michigan Legislation**

PA 295

- Michigan Public Act 295 (PA 295)
- Passed October 2008
- Requires investor owned utilities, municipalities, and rural electric cooperatives to institute energy optimization programs

DTE Energy Participation

- Lower customer bills
- Reduce energy demand throughout Michigan
- Help protect the environment

**Customer Benefits** 

- Helps motivate as well as offset the costs of investment when upgrading to or replacing with energy efficient products
- Provides long term energy savings
- Lowers electric/gas bills compared to less efficient equipment
- Reduces your carbon footprint



## **Incentive Types**

### Prescriptive Incentives

- Predetermined measures and incentives for industrial and commercial customers for the installation of specific energy efficient equipment for numerous applications
- Incentives typically average 20% to 50% of the incremental cost of purchasing qualifying technologies

### Custom Incentives

 Custom incentives are determined on a case-by-case basis and are paid per unit energy saved (\$0.08/kWh and/or \$4/MCF)

#### New Construction & Renovation

- Incentives are available for up to \$3,000 for whole building modeling
- Additional incentives are determined based on modeling results showing that energy efficiency exceeds ASHRAE 90.1-2004 standards by 10%



## **Program Caps and Limitations**

# Incentive Funds are Limited Funds are Reserved Based on Availability

Yearly Program Caps Gas Electric					
Per Facility	\$25,000	\$150,000			
Per Customer	\$100,000	\$500,000			

Customer sites with self-directed EO programs will not be eligible to participate in DTE Energy's EO incentive program.



## **Prescriptive Measure Examples**

#### Lighting

- T12 to T8 retrofits
- High bay lighting retrofits with occupancy sensors

#### Motors/ Variable Frequency Drives

- NEMA premium efficiency motors
- HVAC equipment
  - High efficiency air conditioning systems
- Refrigeration and other misc. equipment
  - Anti-sweat heaters
  - Vending equipment controllers
- Gas Measures
  - Programmable Thermostats
  - Boiler tune-ups
  - Steam trap repair/replacement



VFDs for HVAC fans and pumps



# Eligible and Ineligible Custom Measure Examples

<u>Capital investment</u> measures that <u>increase energy efficiency</u> and that are <u>NOT</u> eligible for a Prescriptive Incentive may qualify as a Custom Measure.

#### **Eligible Custom Measures include:**

Process improvements

New technology applications

Air compressor controls and end use reduction improvements

Refrigeration or chiller plant optimization

Cooling tower optimization Insulation improvements Heat recovery projects

#### **Ineligible Custom Measures include:**

- Fuel switching
- Renewable generation
- On-site electricity generation
- Peak shifting
- Simple control modifications or changes in operational and/or maintenance practices not involving capital costs



### **Custom Incentives**

- Incentives based on annual energy savings on a per kWh or MCF basis
- This program addresses almost any qualifying energy efficiency measure excluding those eligible for prescriptive incentives
- Custom Incentive Amounts\*
  - \$0.08/kWh
  - \$4/MCF
- 1.0 year minimum and 8.0 year maximum project simple payback

Capped at 50% of project cost

<sup>\*</sup>Incentive amounts are subject to change. See current application for the most up-to-date levels.



## **New Construction & Remodeling**

### **Program Overview:**

- Incentives are available for new construction or major renovation projects within DTE's service territory
- Contact the Your Energy Savings team and apply when you begin your design (the sooner the better)
- Energy savings and available incentives are based on tiered levels of improvement in performance over the standard building code. The higher the energy savings, the higher the incentives
- A whole building model is required to determine savings
- Projects must be completed within 18 months of receiving a Funds Reservation Letter



## 2010 Program Results

- Applications paid: over 2700
- Total number of measures: over 6300
- Customers involved with program: over 1900
- Contractors involved with program: over 500
- Total incentives paid for gas and electric projects: over \$10M
- Electric savings of 128,000 MWH
- Gas savings of 295,000 MCF

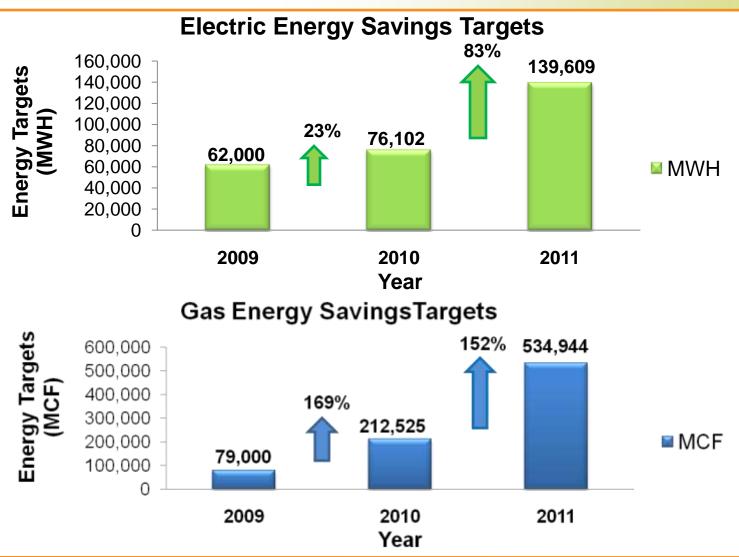
<sup>\*</sup>Based on data as of January 2011



## **2011 Program Changes**



## **Energy Optimization Targets**





## **2011 Program Changes**

- Based on input from customers, trade allies, and participation levels, the program has been adjusted to improve the overall program experience
- Some of these changes include:
  - Simplification of Policies & Procedures Manual: Application has been removed to reduce repetitiveness
  - Decimal values are now allowed for many measures under 1,000 Sq. Ft.(lighting, roof insulation, lighting controls, EMS)
  - Reservation Application is required for all de-lamping projects



## **2011 Measure Changes**

### New Measures

- ECM Motors
- Evaporative Fan Motor Controls
- LED Refrigerated Case Lighting
- U-Bulbs
- LW HP T8 replacing T12
- Gas Water Heaters > 75 gal > 75,000 Btu/h



- Boiler Tune-ups (3 levels)
- HP T8 replacing T12
- Fluorescent Fixtures replacing Interior HIDs



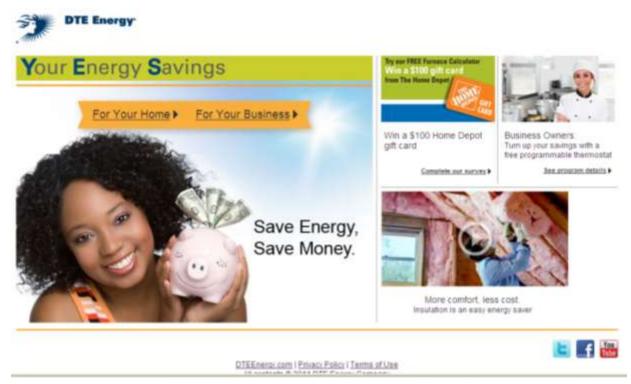


## Making the Program Work for You



## Finding Information on the Website

To obtain an application, visit: <a href="https://www.dteenergy.com/saveenergy">www.dteenergy.com/saveenergy</a>

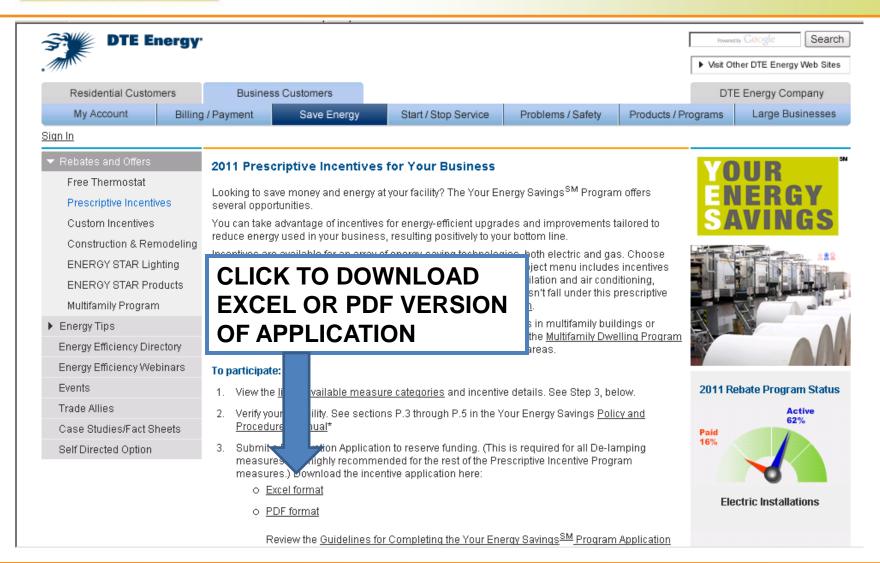


#### Then Select:

- 1. "For Your Business"
- "Rebates and Offers"
- 3. "Prescriptive" or "Custom" Incentives depending on your project type



## **Downloading an Application**





## **Keeping Informed of Program Status**



#### **Orange arrows- Paid:**

Funds paid to date

#### **Blue arrows- Active:**

Funds that have been paid to or reserved by our customers



## **Program FAQ's**

#### To participate:

- 1. View the list of available measure categories and incentive details. See Step 3, below.
- Verify your eligibility. See sections P.3 through P.5 in the Your Energy Savings <u>Policy and</u> Procedures Manual\*
- Submit a Reservation Application to reserve funding. (This is required for all De-lamping
  measures and highly recommended for the rest of the Prescriptive Incentive Program
  measures.) Download the incentive application here:
  - Excel format
  - PDF format

Review the <u>Guidelines for Completing the Your Energy Savings SM Program Application</u>

- 4. Install your equipment or systems within 90 days of re
- Submit the required documentation of project comple days of project completion.
- Submit your Final Application. Final Applications must completion or by December 15, 2011 for the 2011 program year, whichever comes first
- DTE Energy's Your Energy Savings Staff will review your final project documentation. A
  inspection may be required for verification purposes. Incentive payments will typically b
  within 4 to 6 weeks from the time that all the documentation is received and the field in
  is complete.

This Web page provides a general program overview only. For full program specifications and requirements, please see the Your Energy Savings Policy and Procedures Manual\* and our FAQs. The Policies and Procedures document outlines the rules and processes that govern the program. Applicants must follow the program rules as detailed in this document and the accompanying application. By signing the application agreement form, the customer agrees to all rules and requirements in place on the date of signature.



Electric Installations



Gas Installations

Available funds paid as of January 3, 2011

- Orange arrow shows funds paid to date
- Blue arrow shows funds that have been paid to or reserved by our customers

Once 100% of the available funds have been paid or reserved, a waiting list will be initiated

**CLICK THIS LINK** 

PROGRAM FAQ's

TO ACCESS



### **Additional Materials**

- Collateral Materials Available:
  - Case Studies
  - Fact Sheets
  - Brochures
  - Guidelines for Completing Your Application
  - Policies and ProceduresManual
  - Measures Checklist





### **Questions?**



### Thank You!

#### **Email**

YourEnergySavings@kema.com

Or, contact any Your Energy Savings team member for personal assistance.

**Phone** 

1-866-796-0512

Fax

1-877-607-0744

Website

www.dteenergy.com/saveenergy



## **Appendix**



# Requesting a Reservation Before the Prescriptive Project Begins

For **PRESCRIPTIVE PROJECTS**, the customer must complete and submit **ALL** of the following pages:

- **✓ APPLICATION CHECKLIST**
- ✓ CUSTOMER INFORMATION
- ✓ CONTRACTOR INFORMATION
- ✓ PRESCRIPTIVE WORKSHEETS for each prescriptive energy saving measure

#### **Application Checklist**



## Customer & Contractor Information

	CUSTOMER	INFORMATION					
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#### **Prescriptive Worksheets**

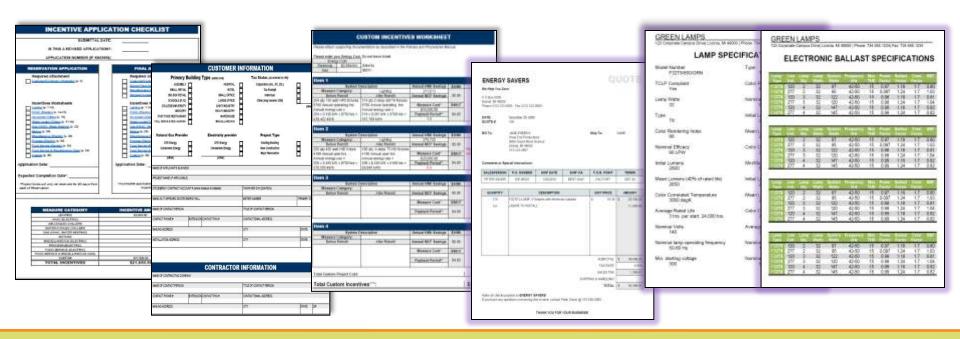
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Compact Fluorescents and LEDs (Incandescent to CFL	or LED)								
CFL - Screw-in (x 31 Watts)	9.9	Lamp							
CFL - Screwing- 31 Rodal	\$8.00	Larp							
CFL Reflector Flood Lamps	\$8.00	Lamp							
Compact Fluorescent Fixture	\$22.00	Priore							
42W 8 Lang High Bay Compact Puorescent Finture	\$35.00	Rose	100	\$3,500,00					
ENERGY STARS Qualified LED Recessed Drive Light	\$21.90	Ritin							
Standard Linear Fluorescent Retrofit (T12 to T8 or T5)	9								
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3 Lamp, 48 TS	89:00	Ritura							
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# Requesting a Reservation Before the Custom Project Begins

For **CUSTOM PROJECTS**, the customer must complete and submit **ALL** of the following pages:

- ✓ APPLICATION CHECKLIST
- ✓ CUSTOMER INFORMATION
- ✓ CONTRACTOR INFORMATION
- ✓ CUSTOM WORKSHEET providing a brief project description
- ✓ ITEMIZED QUOTE providing the cost of each piece of custom equipment
- ✓ MANUFACTURER'S EQUIPMENT SPECIFICATIONS for each piece of custom equipment





# Requesting an Incentive Payment After the Project Is Completed

For both **PRESCRIPTIVE and CUSTOM PROJECT** incentives, the customer must complete and submit **ALL** of the following pages:

- ✓ APPLICATION CHECKLIST
- ✓ CUSTOMER INFORMATION
- ✓ CONTRACTOR INFORMATION
- ✓ CUSTOMER AGREEMENT
- ✓ All applicable PRESCRIPTIVE and/or CUSTOM WORKSHEETS
- ✓ ITEMIZED INVOICE(S)
- ✓ MANUFACTURER'S EQUIPMENT SPECIFICATIONS for all equipment

