

# El Paso Electric Energy Efficiency

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# Standard Offer Programs – Opportunities for Energy Efficiency

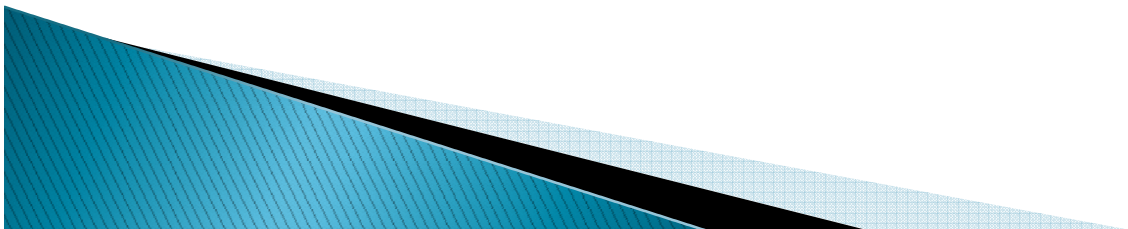
El Paso Electric  
Energy Efficiency

March 2009



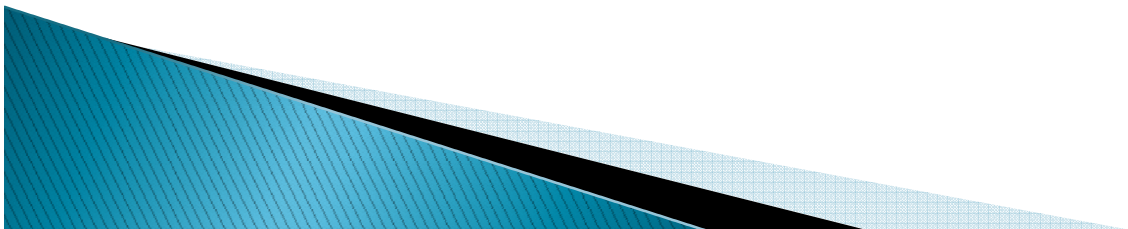
# Background – Utility Energy Efficiency Programs

- ▶ 1980's - electric utilities sponsored programs focused on rebates.
- ▶ 1990's - blocks of kW and kWh reduction were bid out through competitive solicitation.
- ▶ 2000's - standard offer and market transformation programs.



# What Is a Standard Offer Program?

- ▶ Program administrator (electric utility) offers set incentive payment to participants for each kWh or kW saved through installation and operation of an energy efficiency measure.
- ▶ Program administrator signs a standard contract with participants outlining their responsibilities under the program.

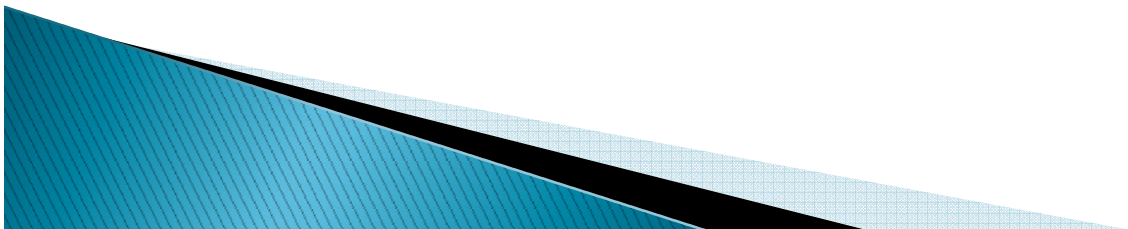


# Definitions

**Customer**: any distribution service residential, commercial or industrial customer of a utility administrator.

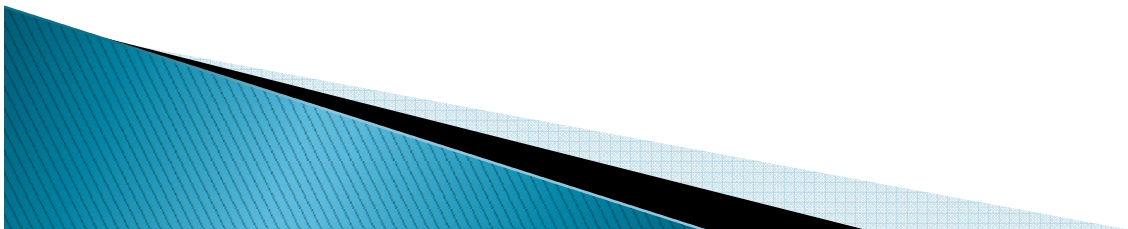
**Project**: a set of energy efficiency measures installed at one or several similar electric utility distribution customer sites.

**Project Sponsor**: an entity contracting with Program Administrator to provide energy efficiency services at a customer site.



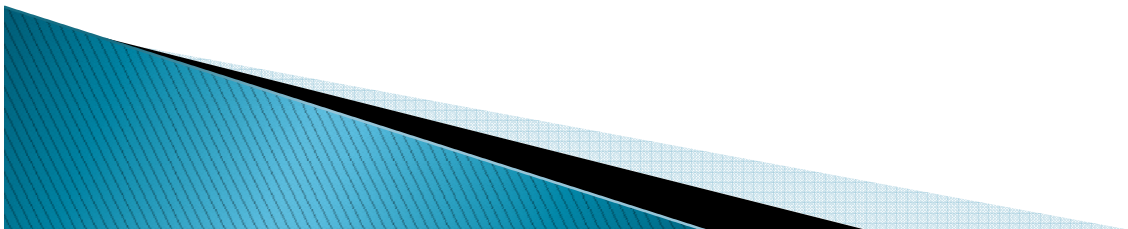
# What is a Standard Offer Program?

- ▶ Applications considered on per-project basis; first-come, first-served.
- ▶ Number of participants limited only by available incentive dollars.
- ▶ Incentive payments are made to Project Sponsor.
- ▶ Project Sponsor and customer determines efficiency measures to be installed.
- ▶ Different from rebates: based on performance, not prescriptive technologies.



# Program Administrator Responsibilities

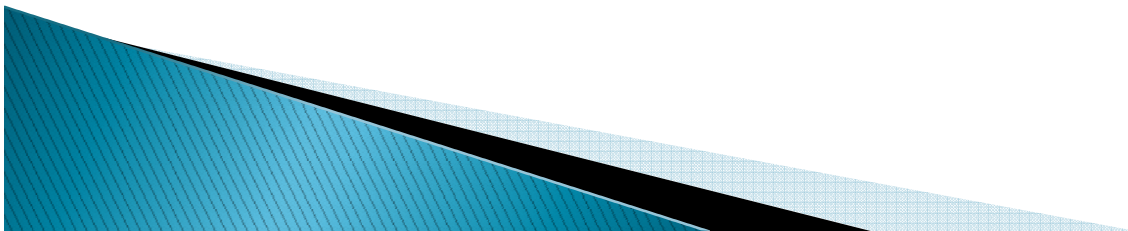
- ▶ Perform outreach to energy services community.
- ▶ Review project applications.
- ▶ Sign contracts with Project Sponsors.
- ▶ Perform pre- and post-installation inspections.
- ▶ Make payments to project sponsors.
- ▶ Report results to Public Utility Commission.



# Who is the Program Administrator?

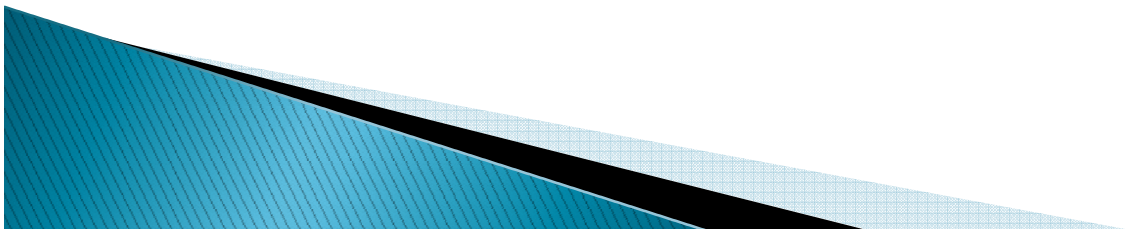
Energy efficiency programs will be administered by the investor-owned utility:

El Paso Electric Company



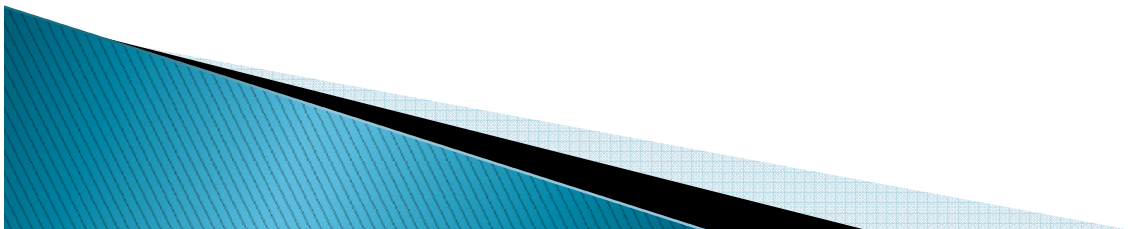
# Who Can Be a Project Sponsor?

- ▶ Equipment distributors or manufacturers
- ▶ Energy service companies
- ▶ Community based organizations
- ▶ Mechanical or lighting contractors
- ▶ Any other entity providing energy efficiency services



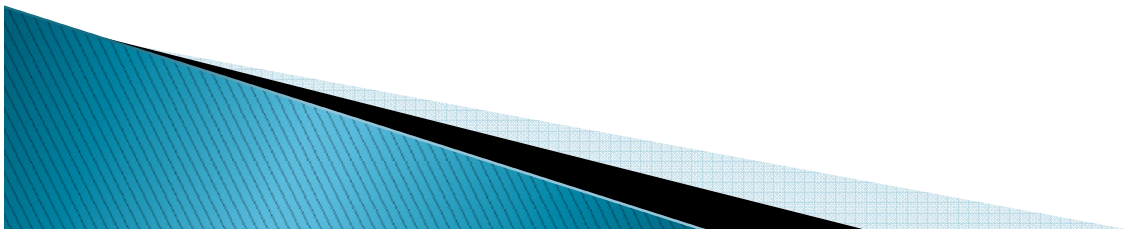
# Project Sponsor Qualifications

- ▶ Statement of professional experience doing similar work
- ▶ Evidence of financial strength and capability
- ▶ Work plan for project design, implementation, operation and management
- ▶ Proof of insurance



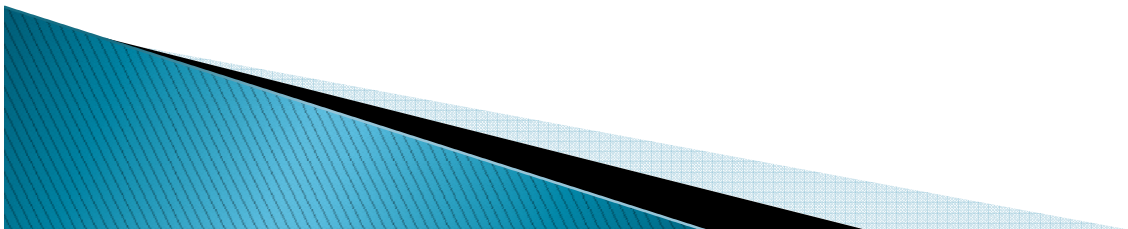
# Project Sponsor Responsibilities

- ▶ Conduct marketing activities and sign contracts with individual customers
- ▶ Apply for incentives
- ▶ Sign standard contract with utility administrator
- ▶ Design and install energy efficiency project
- ▶ Measure and verify energy savings
- ▶ Report savings to Program Administrator



# Measurement and Verification of Savings

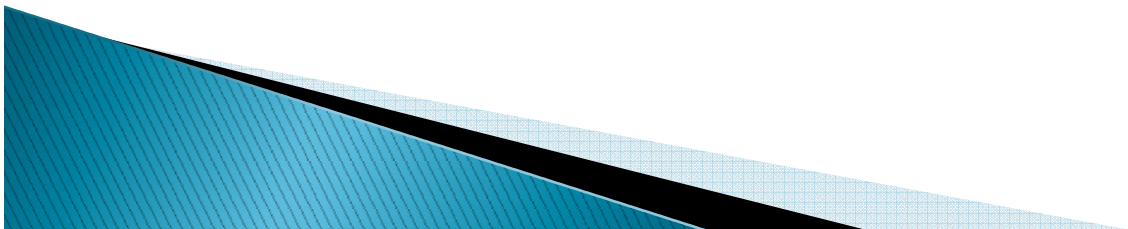
- ▶ Baseline is federal standard or typical practice (where applicable)
- ▶ Savings for many measures based on:
  - “Deemed” savings or
  - “Simple” M&V
- ▶ Full M&V for some measures
  - In accordance with International Performance Measurement Verification Protocols (IPMVP)



# Standard Offer Programs

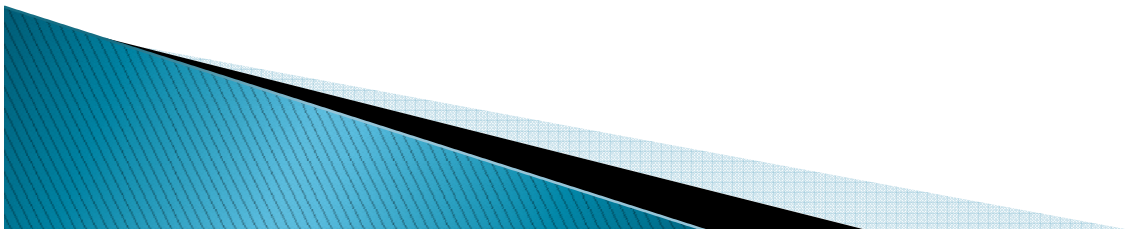
These program templates have been approved by the PUC:

- Commercial SOP
- Residential SOP
- Hard-To-Reach SOP



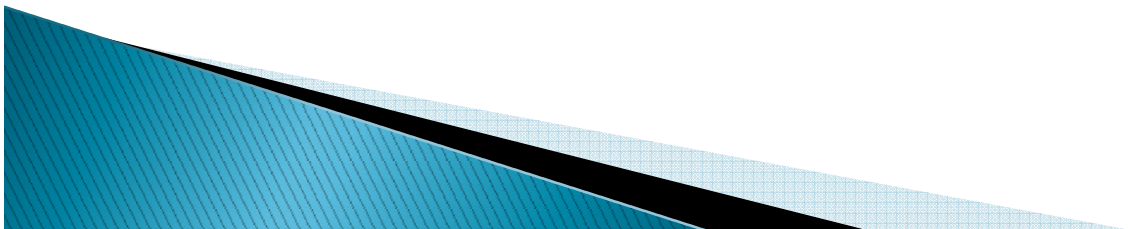
# Residential Standard Offer Program

- ▶ Targets residential customers.
  - Includes single family, multi-family and mobile homes
- ▶ No Project Sponsor can receive more that 20% of annual incentive budget.



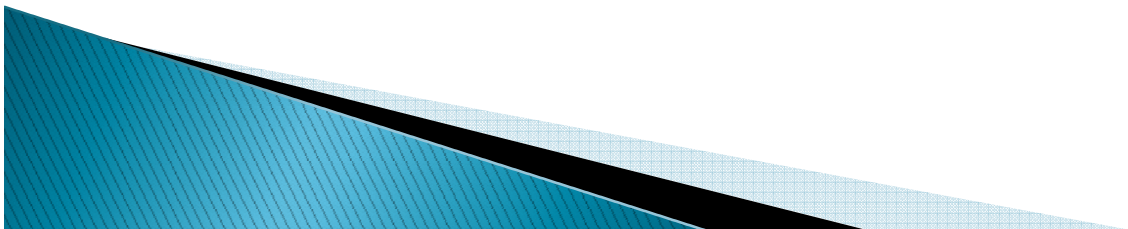
# Eligible Energy Efficiency Measures

- ▶ Must produce measurable and verifiable demand and energy reduction
- ▶ Must produce savings through and increase in energy efficiency or a substitution of another energy source for electricity
- ▶ Retrofits only, except for renewable DSM measures
- ▶ Minimum of 10 year measure life
- ▶ Measure must meet or exceed minimum equipment standards



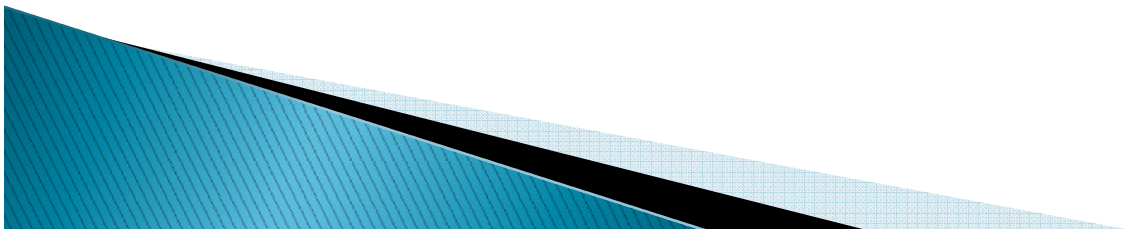
# Ineligible Measures

- ▣ Plug loads
- ▣ Projects participating in another EPE energy efficiency program.
- ▣ Measures that received an incentive from another utility program
- ▣ Self-generation or co-generation, excepts for renewable DSM technologies
- ▣ Measures that rely on changes in customer behavior and require no capital investment
- ▣ Measures that result in negative environmental or health effects



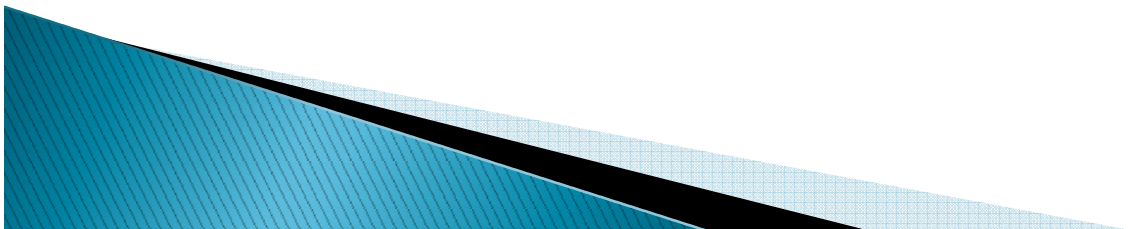
# Hard-To-Reach Standard Offer Program

- ▶ Residential customers with household incomes at or below 200% of federal poverty guidelines.
- ▶ No Project Sponsor can receive more than 20% of annual incentive budget.
- ▶ Each household must be assessed to determine prioritization of energy efficiency measures to be installed.



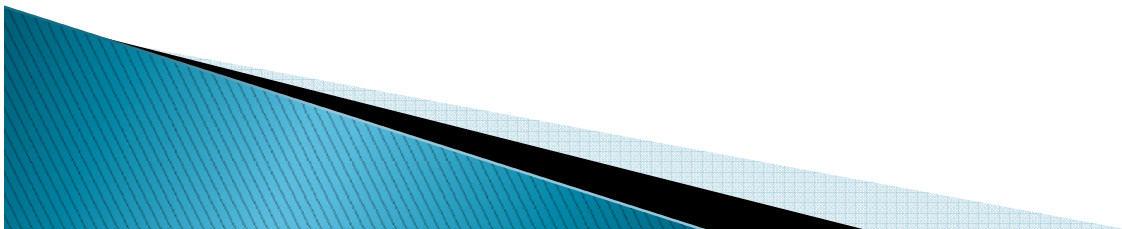
# El Paso Electric 2009 Goals

<b>Customer Class</b>	<b>MW</b>
Residential	0.948
Hard to Reach	0.323
Commercial	3.780
<b>Total</b>	<b>5.051</b>



# El Paso Electric Budget

<b>Program</b>	<b>2009 Estimated /Preliminary/Allocated Incentive Budgets*</b>	<b>\$/kW</b>	<b>\$/kWh</b>
<b>Residential Standard Offer Program</b>	\$166,196	\$278.29	\$0.095
<b>Hard-to-Reach (HTR) Standard Offer Program</b>	\$75,987	\$500.40	\$0.0171
<b>* Incentive budgets are subject to change.</b>			



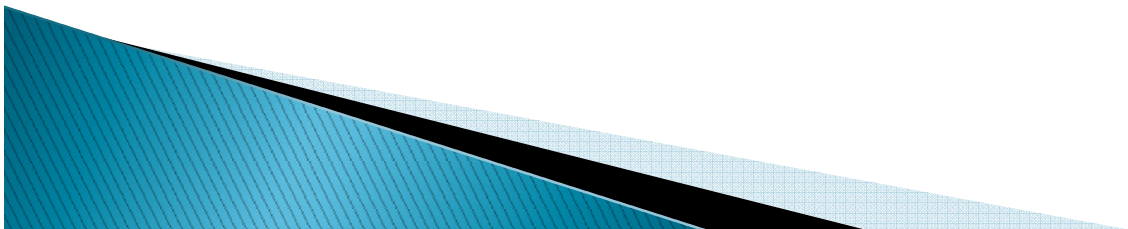
# El Paso Electric Energy Efficiency Program Budgets

2009 Estimated kW , kWh and Budgets

Customer Class and Program	Projected kW	Projected kWh	2009 Program Budgets As Proposed. Budgets Subject to Change
<b>Commercial</b>	<b>3,612</b>	<b>12,493,677</b>	<b>\$1,808,383</b>
C&I SOP	1,377	6,032,589	\$669,139
Commercial Solutions Program	650	2,847,627	\$430,456
Small Commercial SOP	233	999,718	\$159,788
TX SCORE Pilot MTP	1,352	2,613,743	\$549,000
<b>Residential</b>	<b>948</b>	<b>3,407,282</b>	<b>\$868,050</b>
Residential Solutions Program	670	1,675,000	\$544,854
Residential and Small Commercial SOP	242	1,039,272	\$166,196
EnergyStar® New Homes Study	0	0	\$85,000
Statewide CFL	36	693,010	\$72,000
<b>Hard-to-Reach</b>	<b>491</b>	<b>1,127,437</b>	<b>\$907,908</b>
QLR Program (Hard to Reach)	285	446,350	\$283,478
Hard-to-Reach SOP	110	172,275	\$84,430
Energy Saver (TDHCA)	96	508,812	\$540,000
<b>Research and Development</b>	<b>0</b>	<b>0</b>	<b>\$0</b>
PUC Potential Study	0	0	\$0
<b>Total Projected Annual Savings and Budget</b>	<b>5,051</b>	<b>17,028,396</b>	<b>\$3,584,341</b>

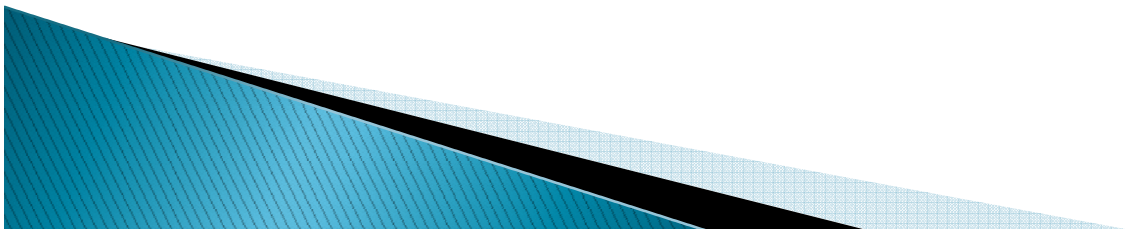
# Incentive Limits

- ▶ 20% of Incentive budgets
- ▶ Other limits are outlined in the R/SC and HTR Standard Offer Program Manual.



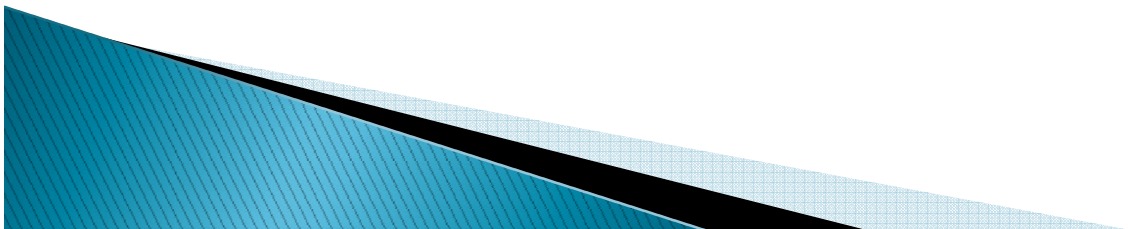
# Energy Savings Measurement Options

- ▶ Deemed or Stipulated Savings
- ▶ Simplified M&V
- ▶ Measured Savings (Full M&V)



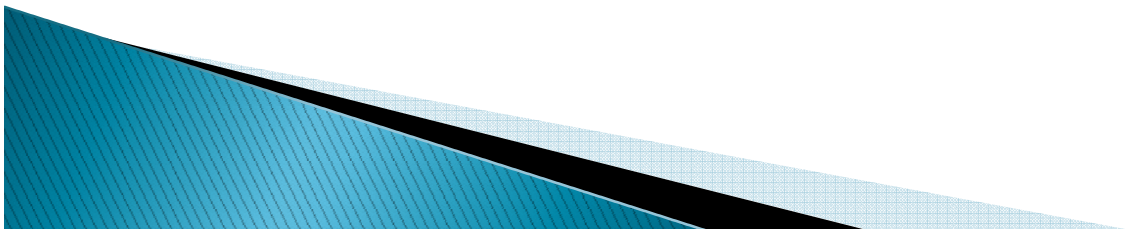
# Program Process and Timeline

- Application Process
- Implementation Period
  - Single-family projects –Incentive Payments are reserved for 45 days.
  - For multifamily projects, the Incentive Payment funds are reserved for 60 days.
- Performance Period (Measured Savings Projects Only) – One year period.



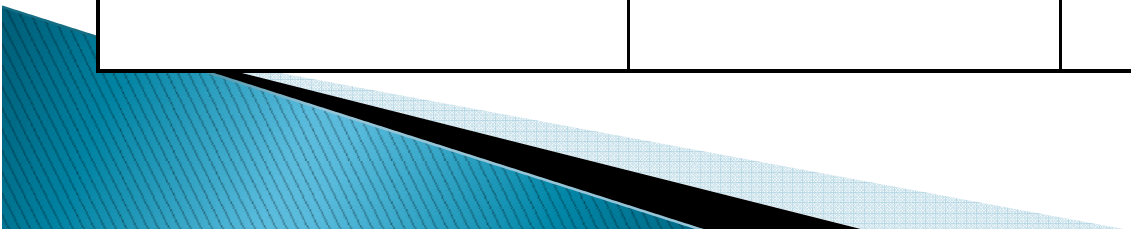
# Project Application

- **General Application Guidelines**
  - Begin accepting Sponsor Applications on March 13, 2009
  - Project Applications accepted through October 1, 2009
- **Steps (two)**
  - Submit Sponsor Application (SA) to EPE
  - Submit Project Applications (PA) - Access given to the incentive reservation pages of the website.
- **Number of Applications**
  - Project Sponsors may participate in both Programs ( R/SC & HTR)
  - Only one reservation may be open for a particular SOP at a given time.



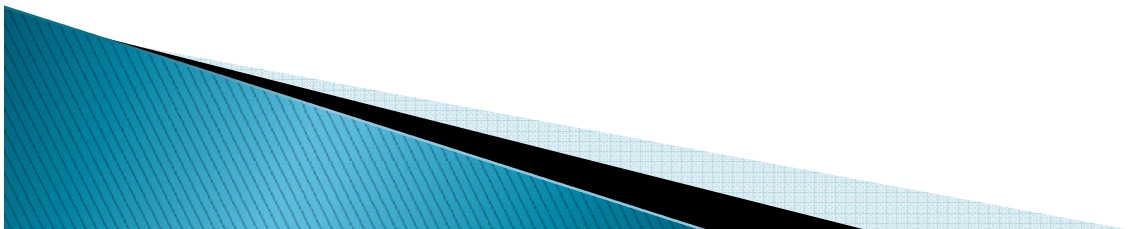
# Application Schedule

Date	Time -(Mountain time)	Event
March 13, 2009	1:30 p.m.	HTR Project Sponsors may begin submitting Sponsor Applications.
March 13, 2009	1:30 p.m.	R/SC Residential Project Sponsors may begin submitting Sponsor Applications.



# Sponsor Application

- ▶ Project Sponsor name
- ▶ Project Sponsor's HERS (Home Energy Rating System) Rater Certificate Number (for residential and multi-family projects)
- ▶ Project Sponsor's HERS Rater's Accredited Provider name and address (for residential and multi-family projects)
- ▶ Federal tax identification number
- ▶ Names, addresses, etc., of Parent company, all subcontractors and/or Affiliates (if any)
- ▶ Contact name
- ▶ Contact title
- ▶ Contact address
- ▶ Contact phone number
- ▶ Contact fax number
- ▶ Contact e-mail address



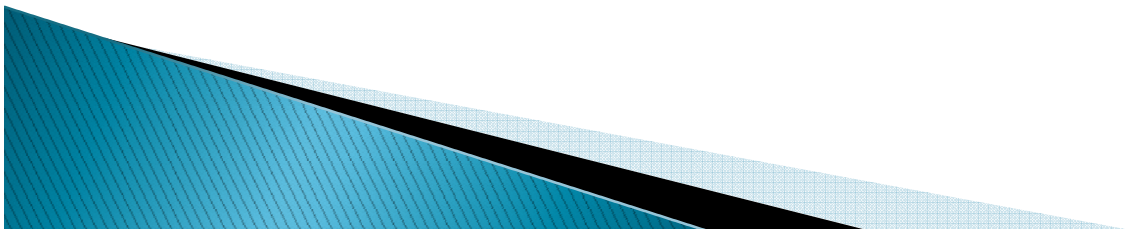
# Sponsor Qualifications and Experience

- ▶ Project Sponsor's technical and managerial qualifications;
- ▶ Evidence includes a list of applicable licenses, license holders, and license numbers;
- ▶ Three client/customer references;
- ▶ Listing of all Texas utility standard offer programs where participating (past and present);
- ▶ Project Sponsor's financial strength and capability;
- ▶ Disclosure of all legal actions and judgments by or against Project Sponsor pending or filed, settled, satisfied, or entered in the two years immediately preceding the submittal of the Sponsor Application;
- ▶ Self-Certification Affidavit;
- ▶ Certificates of insurance.



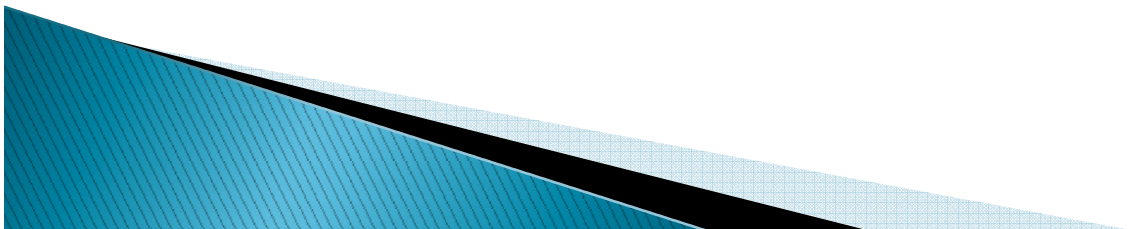
# Insurance Requirements

- ▶ Proof of insurance (Certificates) – Provided directly by Project Sponsor's insurance company within 10 business days of Sponsor Application Submittal.
  - Commercial General Liability
    - Minimum \$1,000,000 / occurrence limit
    - Minimum \$2,000,000 / general aggregate limit
  - Auto
    - Minimum \$1,000,000 / occurrence
  - Workers' Compensation
    - Minimum \$500,000
  - A.M. Best Rating of A- VI or better  
<http://www.ambest.com/>



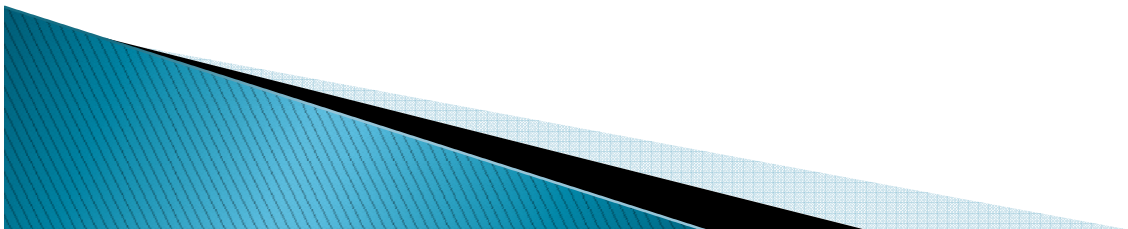
# Insurance Requirements

- ▶ 30 days advance written notice of the expiration, termination, cancellation, or modification of policy;
- ▶ Waive subrogation of all claims against EPE, and
- ▶ If providing commercial general liability or business automobile liability coverage, name EPE as an additional insured;
- ▶ Certificates of Insurance - Project Sponsors will not be given access to the reservation menu on the EPE's Web site if these certificates have not been received by EPE.



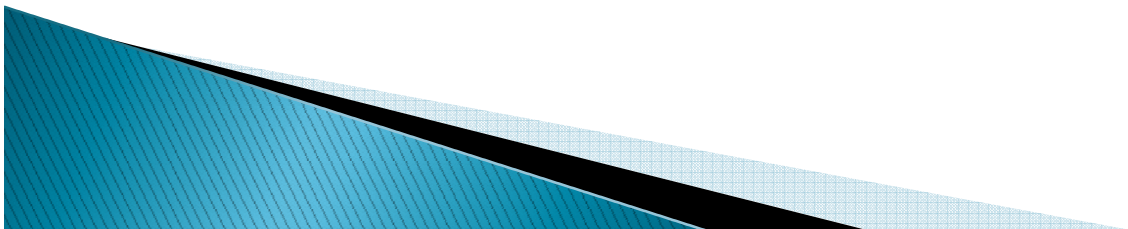
# Project Application (PA)

- ▶ Project Application (PA) for Single-Family Projects
  - \$250 minimum incentive;
  - \$5,000 maximum incentive;
  - 45 day implementation period.
- ▶ Project Application (PA) for Multifamily Projects
  - Project Sponsor is required to identify the Project Site;
  - Incentive Payment funds are not reserved until EPE approves the Project Application;
  - \$250 minimum incentive;
  - Maximum limited to 20% of incentive budget.



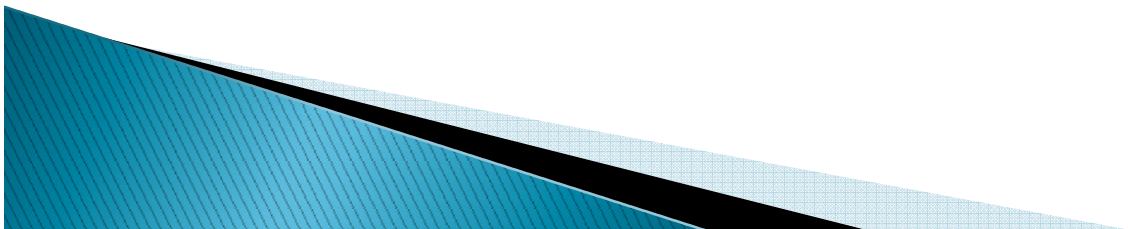
# Project Application (PA) – continued

- ▶ **Project Application for Multifamily Projects in the HTR or R/SC Programs**
  - Incentive Payment reservation for any multifamily project of three or more units
    - Host Customer name, address, and contact information;
    - Completed HTR Certification forms (if applicable);
    - Premise/Account ID number (see Section 6.4.4 of manual);
    - Results of any pre-installation air leakage, duct leakage, and/or CO test measurements;
    - Proposed Measures to be installed;
    - Estimated kW and kWh impacts.
  - Implementation Period of 60 days.



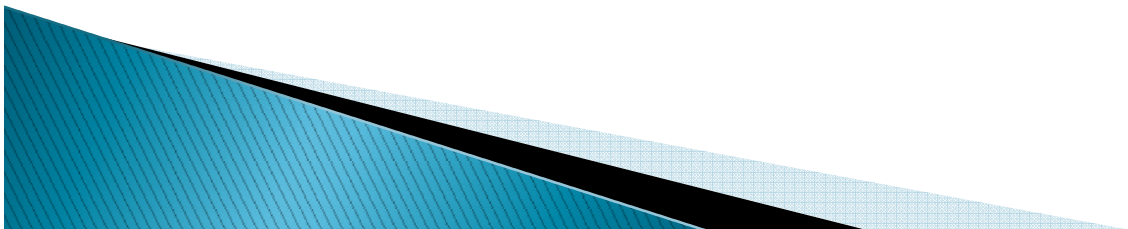
# Project Application (PA) – continued

- ▶ Host Customer Agreement – Example on Web site
- ▶ Premise/Account ID Numbers from EPE – Project sponsor must lookup ID on Web site.



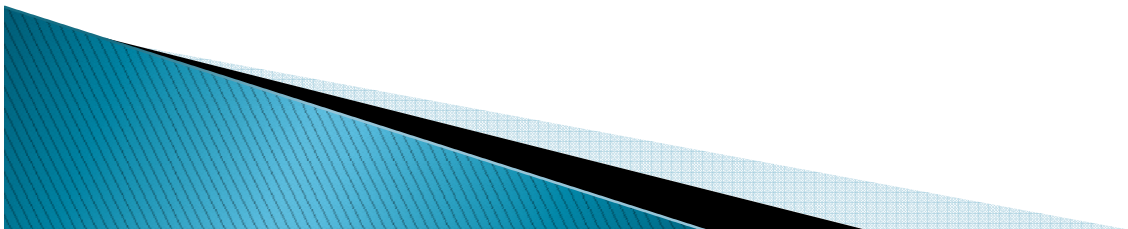
# Implementation and Reporting Procedures

- ▶ Implementation Period
  - 45 days – single family projects.
  - 60 days – multifamily projects
  - Up to one year if full M&V used – multifamily projects.
- ▶ Required Submittals - Project Installation Report (PIR)
  - Report is input via the Program Web site;
  - Post installation results – compared to pre-installation information.
- ▶ Customer Certifications
  - Customer Certification also provides EPE with permission to inspect the installation.
  - Notarized document
  - Example of Customer Certification on Web site



# Implementation and Reporting Procedures

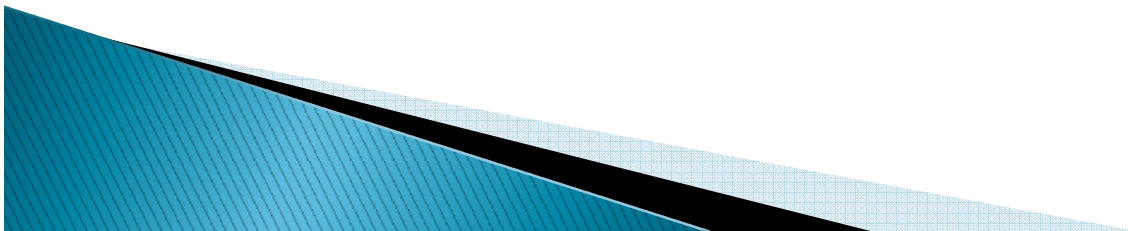
- ▶ Incentive Payment Invoices - Project Sponsors shall submit a hard copy of the following:
  - A hardcopy of the PIR
  - A hardcopy of the fully-executed, notarized Customer Certification for each Host Customer
- ▶ Incentives paid
  - up to 100% of approved incentives – dependent upon findings from inspections. Approved incentives may be less than reserved incentives.



# Prescriptive & Other Requirements

# Prescriptive Requirements

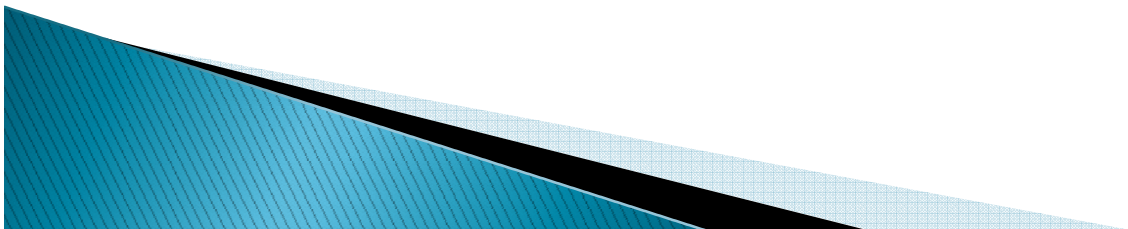
- ▶ Blower Door Testing
- ▶ Duct Blaster® Testing
- ▶ Installation Standards



# Installation Standard for Air Infiltration Measures

To qualify for incentives, a minimum air leakage reduction of 10% of the pre-installation reading is required. In addition, unless contraindicated for health or safety reasons, the following leakage points shall be treated as part of this measure, if applicable:

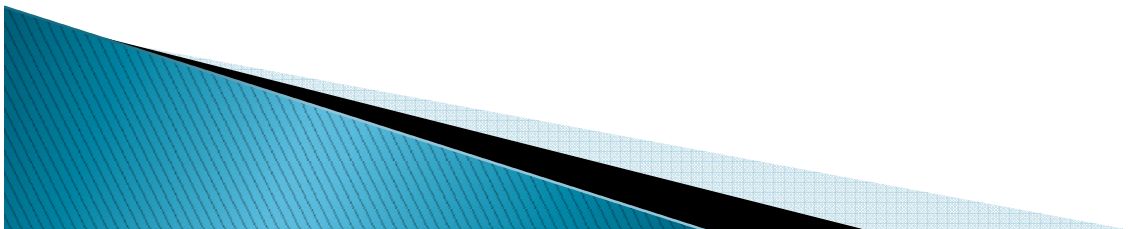
- Attic access;
- Plumbing penetrations;
- Light switches and outlet gaskets;
- Exterior doors;
- Missing or broken window panes;
- Furnace closet door (See Section 7.3.1.6 of manual).



# Carbon Monoxide Testing

Ambient air carbon monoxide levels must not exceed 9 parts per million at project completion where dwelling has gas combustion equipment.

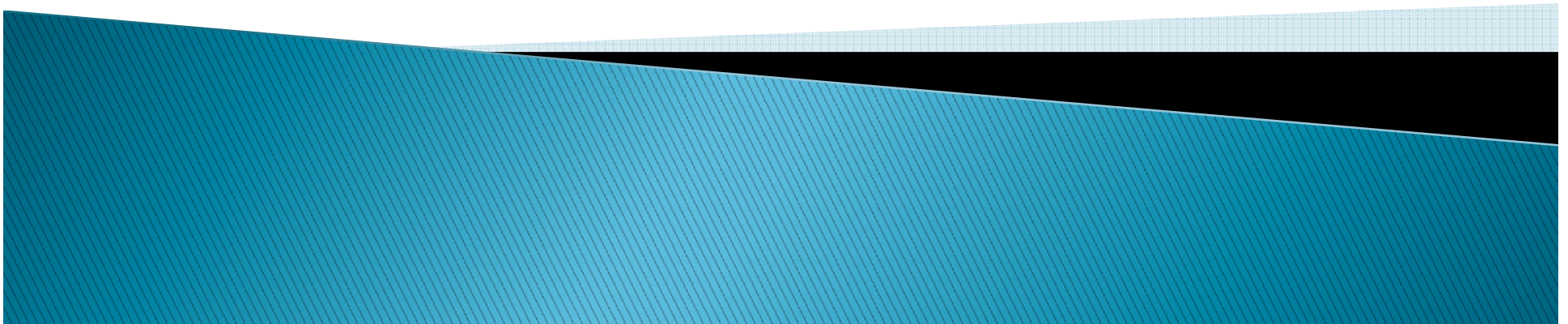
Heating unit must be fired up and operating for 5-10 minutes.  
Measurements taken at register.



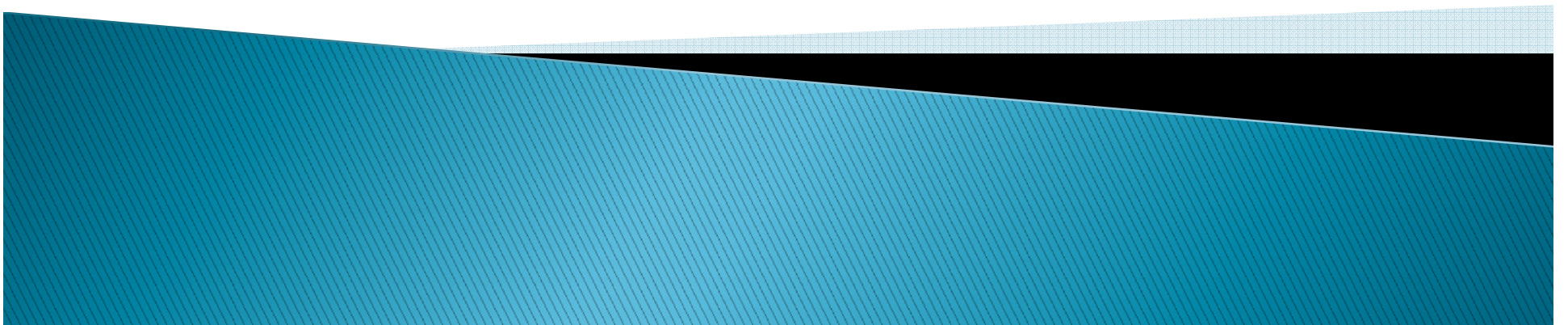
# Performance Period

For Project Sponsors who are installing measures for which the Measured Savings Option is required.

Project Sponsors who are installing measures entirely under the Deemed Savings or Simplified M&V Options do not need to follow the procedures



**QUESTIONS?**



# Contact

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