

Production Efficiency Program Guide
for Allied Technical Assistance Contractors
(ATACS)

Developed by



V. 1.1

Revision History

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1.0 Introduction

This **Production Efficiency Program Guide** explains the requirements for a Contractor participating as an ATAC in Energy Trust's **Production Efficiency Program** (also referred to in this Program Guide simply as the "Program").

1.1 **About Energy Trust**

Energy Trust expects Contractor to be generally aware of the background and history of Energy Trust and its energy efficiency and renewable energy programs, as well as the Energy Trust policies that can affect its programs' requirements. Since 1999, the Oregon legislature has required Portland General Electric ("PGE") and Pacific Power to collect "public purpose" funds from their customers to support energy conservation, renewable energy and energy market transformation efforts. The Oregon Public Utility Commission ("OPUC") was authorized to direct the manner in which the collected funds would be spent. Energy Trust was formed to administer the bulk of these funds pursuant to a grant agreement with the OPUC. A copy of the OPUC grant agreement (http://www.energytrust.org/library/opuc_docs/index.html) and Energy Trust's Board of Director-approved policies (<http://www.energytrust.org/library/policies/index.html>) are available on our website. Below are just a few of the policies that Contractor should be aware of:

(1) Separate funding for Portland General Electric (PGE) and Pacific Power: Energy Trust receives funding for its electric efficiency programs from customers of both PGE and Pacific Power. At least 80% of funds must be spent within the territory in which they were collected. Therefore, Energy Trust manages separate budgets for PGE and Pacific Power. Please be aware that Program changes may affect PGE and Pacific Power customers differently and the incentive budget may be exhausted for one utility before the other.

(2) Cost Effective Efficiency: Energy Trust is limited to providing funding for efficiency projects that pass the societal and utility benefit cost tests as approved by the OPUC. Energy Trust calculates the incentives that Energy Trust makes available through its programs for Participants' systems in accordance with this policy's requirements.

(3) Self-Direction: Under the OPUC grant agreement, Energy Trust receives and invests a portion of the funds generated by the 3% public purpose charge collected from the customers of PGE and Pacific Power. Although payment of the public purpose charge is generally mandatory, Oregon law recognizes a special group of large electric energy users (those using over one average megawatt a year at a site) who wish to manage their own electric energy efficiency and renewable energy investments. Once a site is certified for self-direction by the Oregon Department of Energy ("ODOE"), that "self-director" may invest in certain energy projects and receive "credits" for the project's certified costs. The "self-director" can use those credits to reduce the 3% public purpose charge included in their energy bill. Energy Trust developed a policy regarding self-direction and whether a Participant is currently self-directing, or decides to in the future, can impact the amount of funding the Participant is eligible to receive from Energy Trust. Contractor should carefully read all Program forms related to the impact of self-direction on the Program, as well as the policy and the **Frequently Asked Questions Regarding Self-Direction** (http://www.energytrust.org/library/policies/faq_self_direct.html).

The incentive funding provided to an ATAC for preparation of the Technical Analysis Study (TAS) for a Participant is subject to the Self-Direction Policy, and Contractor must be sure that Participants are aware of this requirement.

(4) Confidentiality of Information Submitted by Program Participants:

Contractor must read Energy Trust's policy on "**Information Submitted by Program Participants, Contractors, and Bidder**" available on our website. This policy describes how Energy Trust and its employees, contractors and sub-contractors will use information collected about Program participants (including name, address, and other personally identifiable characteristics). Contractor is required under this Agreement to protect Program Participant information as Confidential Information.

1.2 Production Efficiency Program

Energy Trust's Production Efficiency Program is one program within Energy Trust's portfolio of Business Sector programs. The Program serves eligible Participants – industrial, agricultural irrigation facilities, and municipal water and sewage processing loads owned by businesses, government entities, and nonprofit entities being served in Oregon by PGE or Pacific Power. Certain industrial customers that are both (i) on rate schedules that require them to pay the public purpose charge and (ii) located in the Oregon territory of Northwest Natural Gas Company or Cascade Natural Gas, are also eligible to participate in the Program. In addition to Energy Trust staff and ATACs, the Program also utilizes several Program Delivery Contractors ("PDCs") to deliver the Program to eligible Participants.

The goal of the Program is to achieve electric and gas energy savings at Participants' eligible facilities through the retrofit of functional but inefficient processes and equipment, and through the replacement of equipment at failure. Only energy efficiency measures that pass Energy Trust's cost-effectiveness calculations and save kilowatt-hours or therms are eligible. Curtailment of electric services or hours of service is considered to be a form of efficiency if it does not adversely impact users of energy services.

Additional Program objectives which Contractor should be aware of are:

- Avoid paying for measures in situations where most customers would have installed them without the Program.
- Avoid creating lost opportunities through partial treatment of end uses.
- Assure that savings occur in significant quantities in areas beyond the Portland metropolitan area.
- Encourage increased installation of efficient production equipment and controls.
- Demonstrate and evaluate selected technologies and services that are mature and significant enough to warrant demonstration in the field.
- Leverage other funding sources, including state tax credits, state loans, private sector capital, and participant investment and marketing by others.

1.3 Program Roles

The Production Efficiency Program is delivered through a team of parties working together as follows:

Energy Trust of Oregon, Inc.: Energy Trust funds, develops, and manages the Program. Energy Trust manages the budget for the Program and strives to meet established Program goals. Energy Trust staff coordinates the Program work with its various contractors and Participants, assigns all Work Orders, reviews all submitted TAS and Program paperwork, and processes all incentive payments. Energy Trust also conducts quality assurance on Program activities. Three Energy Trust staff members are currently dedicated to managing the Program, the Senior Industrial Sector Manager, the Industrial Technical Manager, and the Industrial Coordinator.

Program Delivery Contractors (PDCs): Energy Trust contracts with PDCs to perform outreach and delivery for the Program, and each PDC covers specific geographical territories and/or market specialties. The PDCs deliver information about the Program and generally act as advocates for Program Participants, assisting them through the entire process - from facility walk-throughs and initial project identification to detailed TAS scoping with the ATACs, TAS review, project guidance throughout implementation, and final project closeout. PDCs typically help Participants gather and submit the required forms and other paperwork for the Energy Trust's Program incentives and ODOE's Business Energy Tax Credit (BETC) applications. Many times it is a PDC that identifies a need for a TAS, and Energy Trust expects that assigned ATACs will work closely with the PDC. The PDC will typically be involved at some level in each step of the process and will be working with Energy Trust, the Participant and the ATAC to determine the scope of the TAS, and review the TAS once complete..

Ally Technical Assistance Contractors (ATACs): The Program utilizes the ATAC pool to assign a Contractor to examine how a Participant's facility and processes use energy and identify potential ways to save energy in a TAS report. The expertise and experience of an ATAC and the types and levels of insurance that an ATAC maintains affects the level of TAS that an ATAC will be allowed to perform for the Program. Energy Trust expects Contractor to coordinate and work together with Energy Trust and the PDCs to deliver a quality TAS to the Participant.

2.0 Program Offerings

The Production Efficiency Program offers energy studies and customized financial incentives based on estimated annual energy savings. The Program also offers prescriptive incentives on energy efficient lighting equipment and NEMA Premium® motors (NEMA: National Electrical Manufacturers Association).

The Program's incentive offerings are limited by certain requirements, including but not limited to:

- Estimated incentive amounts will be capped based on a specific percentage of the incremental cost of implementing energy efficiency measures, or at a rate per unit of energy savings associated with the measures

- Proposed projects must meet Energy Trust cost-effectiveness calculations,
- Estimated incentive amounts must be within any established "per site per year" maximums.
- Self-generator and self-directing restrictions.

Energy Trust funding for the Program is limited and Energy Trust utilizes a reservation process when assessing projects in order to manage the Program's available incentive budget. In order to understand this process, Contractor is required to review the document entitled "**Reserving Incentive Funds for Existing Buildings and Production Efficiency Projects**" which is located on our website (<http://www.energytrust.org/productionefficiency/index.html>).

Incentive offers must be generated and pre-approved by the Program before any equipment is purchased for the Participant's energy efficiency project. Specific requirements for each type of Energy Trust incentive offered by the Program are outlined below.

2.1 Technical Analysis Studies (TAS)

A Participant who requests assistance in identifying energy efficiency measures may qualify to receive an incentive from the Program for a technical analysis study (TAS) by demonstrating that it has: (i) a genuine interest in implementing an energy efficiency measure, (ii) the authority to make the decision to commit to the energy efficiency project, and (iii) the ability to secure the funds necessary to pay for its portion of the project.

TAS reports are set at different levels depending on the complexity of the TAS requested and the TAS level will be identified by Energy Trust's Industrial Technical Manager in the Work Order document. The Program will evaluate a Participant's needs and will issue a Work Order for a specific type of TAS to an ATAC in accordance with the process and procedures described in **Section 3.5** below.

TAS are typically provided by the Program free of charge to the Participant with the following exceptions:

(1) If the cost of the TAS exceeds \$5,000 and the Participant does not install at least one of the energy efficiency measures identified as meeting the Program requirements within 12 months of the completion of the TAS, then the Participant will be required by Energy Trust to pay 20% of the cost of the next study for which they request Program funding.

(2) If the Participant is self-directing, the Participant is only eligible to receive 50% of the TAS cost from the Program, and the Participant must make arrangements to reimburse Energy Trust for the Participant's portion of the cost of the TAS prior to Contractor beginning any TAS work.

2.2 Custom Financial Incentives

2.2.1 Non-Lighting Electric Energy Project Incentives

- Incentives for non-lighting equipment or measures are 20¢/kWh, not to exceed 50% of the total approved project cost, with a payback greater than 12 months.

- Incentives for non-lighting projects with a payback less than 12 months are 2¢/kWh, not to exceed 50% of the total approved project cost.
- Maximum incentive per site (entire facility or campus) per year: \$500,000 including non-lighting, lighting and/or natural gas incentives.

2.2.2 Custom Lighting Project Incentives

- Custom incentives for lighting projects are based on first-year energy savings at 15¢/kWh, not to exceed 30% of the total approved project cost, with a payback greater than 12 months.
- Lighting projects must provide at least 25% energy savings compared to existing equipment or relative to standard lighting equipment on new installations.
- Maximum incentive per site (entire facility or campus) per year: \$500,000 including lighting, non-lighting and/or natural gas incentives.

2.2.3. Natural Gas Project Incentives

- Incentives for natural gas projects are \$1.00/therm, not to exceed 50% of the total approved project cost, with a payback greater than 18 months.
- Northwest Natural Gas rate schedules served by the ETO Program are 3C and 31C; rate schedules not served are 3i, 31i, 32C and 32i.
- Incentives are for retrofit gas projects, not new construction.
- Maximum incentive per site (entire facility or campus) per year: \$500,000 including natural gas, lighting, and/or non-lighting incentives.

2.2.4. Municipal Project Incentives

- Incentives for municipal wastewater or fresh water projects are 32¢/kWh, not to exceed 50% of the total approved project cost, with a payback greater than 12 months.
- Incentives for municipal projects with a payback less than 12 months are 2¢/kWh, not to exceed 50% of the total approved project cost.
- Maximum incentive per site (entire facility or campus) per year: \$500,000 including natural gas, lighting, and/or non-lighting incentives.

2.2.5. Self-Generation Project Incentives

Energy Trust's Self-Generators policy, available for review on our website, applies to Participants that generate power from nonrenewable sources at their site, whose generation capacity at the site is 1 MW or greater, and who pay a public purpose charge, either on power purchases, standby charges, or both. These Participants qualify for all incentives at full incentive amounts, subject to the following restriction:

- Once a self-generator has received up to \$500,000 in Energy Trust incentives (calculated as combined across all of the Energy Trust's program, both efficiency and renewables) at a site during a calendar year, and that self-generator proposes a

subsequent project during that same calendar year seeking Energy Trust incentive funding, that self-generator would receive a lower priority rating in cases where funds were limited and both the self-generator and a Participant who was not a self-generator each had projects meeting Program criteria.

2.2.6. Self-Directed Project Incentives

Participants that are self-directing the conservation public purpose charge are eligible to receive 50% of the standard incentives that Energy Trust offers on non-self-directed energy efficiency projects for all types of qualifying equipment, with the exception of prescriptive NEMA Premium 1-200 hp motors which are eligible for 100% of the standard incentive amount regardless of self-direction status. Self-directing Participants are required to pay 50% of the cost of a pre-approved TAS, and incentives are as follows for projects:

- Incentives for non-lighting projects are 10¢/kWh, not to exceed 25% of the project cost, with a payback greater than 12 months.
- Incentives on non-lighting projects with a payback less than 12 months are 1¢/kWh, not to exceed 25% of the project cost.
- Incentives for lighting projects are 7.5¢/kWh, not to exceed 15% of the project cost, with a payback greater than 12 months.
- Incentives for natural gas projects are \$0.50/therm, not to exceed 25% of the total approved project cost, with a payback greater than 12 months.
- Maximum incentives paid per site (entire facility or campus) per year: \$250,000 including lighting, non-lighting and natural gas incentives.

2.2.7. Mega Project Incentives

Projects with incentive offers that exceed the per site per year maximum of \$500,000 are considered *mega projects*. Energy Trust's policy on waiving the Program's funding cap requires that the project meet certain specific criteria and that Energy Trust present mega-projects to its Board of Directors for approval of an exception.

2.3 Program Forms

Table 1: Production Efficiency Program Forms Matrix

Form Number	Form Name	Intended User	Purpose of Form
Form 214	Substitute W9 Form	Participant	Request for taxpayer identification and certification.
Form 400R	Energy Information Release	Participant	Participant authorization for Energy Trust to access historic utility energy usage data.
Form 401S	Impact of Self Direction	Participant	Informs Participants that are eligible to self direct about Energy Trust's self-direction

			policy requirements.
Form 404A	Work Order Offer	Energy Trust, ATAC	TAS offer and acceptance - the Work Order is the Energy Trust and ATAC agreement for a specific TAS.
Form 405F	Technical Analysis Funding Agreement	Energy Trust, Participant	Participant agreement to receive TAS incentive funding from Energy Trust.
Form 420C	Incentive Funding Agreement	Energy Trust, Participant	Incentive agreement between Energy Trust and the Participant.
Form 430R	Project Review and Approval	Energy Trust, Program Delivery Contractor, ATACs	An internal form used at various points throughout the life of a project to provide updates on project activities including: pre-installation inspections, technical analysis studies, project reviews, and/or post-installation inspections
Form 440C	Completion Certificate	Participant	Once project is complete, Participant signs and returns to Energy Trust with invoices as request for incentive payment.
Form 1409	Ally Technical Assistance Contractor Application	ATAC	Application to become an Ally Technical Assistance Contractor (becomes the contract if Energy Trust approves the application via a Form 1481).
Form 1481	ATAC Application Approval Notice	Energy Trust	Formal notification to Contractor that a Form 1409 application to become an ATAC has been granted.

3.0 ATAC Work Orders

Energy Trust has three Levels of approved ATACs and Contractor is only eligible to perform TAS for the Program at the Level for which it is approved. The ATAC Level requirements are set forth in detail in **Exhibit A** to the **Form 1409: Allied Technical Assistance Contractor Application**. The **Form 404A: Work Order Offer** (also simply referred to as the "Work Order") presented to Contractor for a TAS will designate TAS specifics.

3.1 General TAS Requirements

As an approved ATAC for the Program, Contractor will provide eligible Program Participants with a TAS focused on identifying energy savings opportunities available through the installation of energy-efficiency measures and/or low-cost, no-cost measures for the end-user. The TAS will calculate energy savings, estimate equipment installation costs, and perform cost effectiveness analyses of recommended measures. The Work Order will designate the type and level of TAS, and the TAS will be provided in a designated Energy Trust-approved format. Energy Trust has prepared a "**Sample TAS Template**", which will be made available through the Program to all approved ATACs. The ATAC will produce both a draft and final version of

the TAS report in the required format and will coordinate with Energy Trust and, when applicable, the PDC, regarding the timing for the personal delivery of the TAS to the Participant.

Specialized software tools may be necessary for use by Contractor depending on the Participant's facility and the complexity of the recommendations. It will be Contractor's responsibility to provide any such software tools. Examples where additional, project-specific software may be required include, but are not limited to, the following:

- Complex manufacturing or production redesigns requiring analyses specific to the process measures,
- Water and sewage treatment and agricultural analyses requiring analytic tools appropriate to each application.
- DOE-2 energy modeling
- Computational fluid dynamics
- Lighting and/or daylighting

3.2 TAS Methodology

Energy Trust does not expect that Contractor will be able to precisely estimate savings in the TAS, but Energy Trust does expect that Contractor should be able to provide cost and savings estimates sufficient for the Participant to determine if a proposed efficiency measure would be a good investment for the facility and well enough for Energy Trust to determine that the measure clearly meets its cost-effectiveness tests. The appropriate approach to analysis and level of effort for a TAS will vary by project complexity. For example, Contractor should use metering when key parameters that determine savings cannot be reasonably estimated through observation, existing information logs, or modeling and where parameters cannot be generalized from observations at other sites because they vary significantly from site to site. Energy Trust's expectations for metering or modeling will be included in the Work Order.

Regardless of level of project complexity, clear documentation of assumptions used for baseline and anticipated project operations must be included within the TAS.

3.3 TAS Format

Contractor will design study reports similar to the Energy Trust approved format provided in the "**Sample TAS Template**". Key elements of the type of high quality TAS that Energy Trust will be looking for from Contractor include:

- Disclaimer (see required language in **Section 3.4** below)
- Executive summary with results up front and easy to find quickly
- Contacts
- Description of analysis techniques
- Description of any necessary metering to obtain a solid baseline energy use
- Detailed listing of cost components for each measure
- Quantification of non-energy benefits when possible

Energy Trust expects that Contractor's submitted reports for Participants will be professional and of high quality, and Energy Trust's Industrial Technical Manager will carefully review

submitted TAS for compliance to the proper format, including a review of detailed assumptions and Contractor's documentation of sound engineering methodologies particular to the measures under review.

3.4 Required TAS Disclaimer

Contractor is required to include at a minimum the following disclaimer in all TAS documents prepared for the Program. The disclaimer should be in the front of the TAS under a capitalized heading stating "DISCLAIMER".

"In no event will Energy Trust of Oregon, Inc. or [ATAC Name] be liable for (i) the failure of the customer to achieve the estimated energy savings or any other estimated benefits included herein, or (ii) for any damages to customer's site, including but not limited to any incidental or consequential damages of any kind, in connection with this report or the installation of any identified energy efficiency measures."

3.5 Process for Assigning and Accepting Work Orders

Contractor agrees to follow the following processes and procedures:

3.5.1 Energy Trust Preliminary Scoping; Conflict of Interest Disclosure; ATAC Quote

Based on Energy Trust's preliminary scoping analysis, including factors such as the level of TAS needed and Participant's location, Energy Trust will select an ATAC from the pool of eligible ATACs and will notify the prospective ATAC by emailing (1) the name and location of the proposed Participant, and (2) a brief description of the proposed TAS. All information contained in the email shall be treated as Confidential Information. ATAC will respond by informing Energy Trust if any potential or actual conflicts of interest that may exist between the ATAC and the proposed Participant and by submitting to Energy Trust a quote to perform the TAS for a "Not to Exceed" price. Energy Trust may choose to negotiate the quote provided and reserves the right to negotiate with other ATACs. Projects typically are presented to Energy Trust for preliminary scoping in one of the following ways:

(1) Typically, Energy Trust will obtain preliminary data about the potential Program Participant's eligible facility and will perform a pre-analysis appropriate to the data received.

(2) Project study ideas may be presented to Energy Trust for consideration directly from PDCs or ATACs who are already working with Participants. In this case, Energy Trust's Industrial Technical Manager will review the scope of the study and determine if a Work Order should be issued for a TAS and to determine which Level of ATAC should be used to perform the work. Due to Program requirements, no guarantee of issuance of a Work Order to the originating ATAC can be made by Energy Trust.

(3) In addition, Participants may develop their own technical analysis studies or hire a contractor to do so without financial assistance from Energy Trust and still participate in the program. Energy Trust will review completed studies thoroughly before offering an incentive payment for projects. Additional information or analysis may be required before an incentive offer is provided by Energy Trust.

3.5.2 Issuance of Form 404A: Work Order Offer

Once ATAC and Energy Trust decide on a scope of work and a Not-to-Exceed price for a TAS, Energy Trust will send ATAC an official **Form 404A: Work Order Offer**. The offer will include a description of the proposed work, the timeline and fixed price cost unit.

3.5.3 ATAC Acceptance or Rejection of Work Order

Once ATAC receives the **Form 404A**, ATAC has 3 business days to respond to Energy Trust with either an acceptance or rejection of the offer. If ATAC accepts the offer, ATAC must fax or otherwise deliver the signed **Form 404A** to Energy Trust. Time is of the essence with regards to the offer and if Energy Trust does not receive the signed **Form 404A** within the required 3-day time period, the offer shall be null and void.

3.5.4 Site Visit

Within 3 business days of receiving the authorization information from Energy Trust, ATAC will contact the Participant and PDC to arrange for the site visit. Once the date of the site visit has been determined, the ATAC will notify Energy Trust by email of the date, time, and contact name. If ATAC is unsuccessful in contacting the Participant within the 3 business days, ATAC will notify Energy Trust of this fact.

The ATAC will visit the Participant's site to collect the necessary data for the TAS.

Within two (2) business days of the site visit the ATAC will notify Energy Trust by email of the expected date of transmitting the draft TAS report to Energy Trust for review.

3.5.5 Preparation of the TAS

ATAC will prepare a draft TAS report and transmit the draft report to Energy Trust within the time frame required under the Work Order. Energy Trust will review the report and submit comments to the ATAC for incorporation into the report.

During the review of the draft TAS report, if Energy Trust's Industrial Technical Manager finds any potential significant discrepancies, they will be reviewed with the ATAC in an effort to reconcile the differences. If the identified discrepancies cannot be resolved, Energy Trust may cancel the Work Order and fix the discrepancies at its own cost. In such a case, the cost to remedy the TAS will then be deducted from any payment made by Energy Trust to the ATAC for the work.

3.5.6 Delivery of the Final Technical Analysis Study to Participant

The TAS report will be delivered in person to the end-user. ATAC will coordinate with Energy Trust and the PDC the time and place of said presentation.

3.5.7 Invoicing

Upon acceptance of the TAS by Energy Trust, and presentation to the Participant when applicable, ATAC will submit an invoice to Energy Trust in accordance with the requirements set forth in the **Form 1409**.

4.0 Marketing Support

Energy Trust may periodically offer cooperative advertising funds to ATACs to be used for advertisements promoting their business. Please contact the Production Efficiency Program directly for more information.

5.0 Questions and Feedback

It is extremely important that you have a thorough understanding of all of the Program documents, so please contact us immediately if you have any questions about this Program Guide or any other related Program document.

In addition, we would appreciate your feedback on the general usefulness, content, layout, and delivery of this Program Guide. Please e-mail all inquiries and comments to the Energy Trust's Industrial Sector Manager at: production@energytrust.org.

Please note that Energy Trust also welcomes and encourages you to participate in our public meetings. Both the Conservation Advisory Committee and the Energy Trust's Board of Directors meet monthly during the year. See our website for more information and scheduling.