

## IPUC Energy Efficiency Programs

The Industry Public Utilities Commission (“IPUC”) Energy Efficiency (“EE”) Programs outlines the parameters for customers to receive incentives and rebates for the installation of eligible Energy Efficiency Measures (“EEMs”), equipment or systems, and for IPUC to receive payments for eligible projects that benefit IPUC customers through energy efficiency, conservation, or reduced peak-demand. EE Program payments to customers are based on expected annual energy savings, while funding for IPUC projects is based on actual project costs. The EE Program is funded by Public Purpose Program Charges billed and collected in accordance with the IPUC Schedule of Rates, as established and amended in accordance with section 7.04.060D of City of Industry Municipal Code.

### EE Program

Currently IPUC provides electric service to 101 customers. Sixty-seven customers with monthly maximum demand greater than 20 kilowatts (“kW”) are classified as Large General Service; eighteen non-residential customers with monthly maximum demand less than 20 kW are classified as General Service; and sixteen residential customers are classified as Domestic Service. The IPUC’s EE Program is designed to encourage energy efficient lighting systems and the exploration and implementation of energy efficient technologies. These technologies may address either equipment or operational change, and if IPUC can quantify a demand reduction and/or energy savings, there is a basis for providing an incentive or a rebate to assist the customer achieve its energy efficiency goals. The EE Program provides incentives in four program categories: Large General Service Program; General Service Program; Domestic Service Program; and IPUC EEM. The proposed EE Program budget is attached as Appendix A.

**1. Large General Service Program.** Large General Service customers are eligible to receive energy efficiency rebates based upon the annual kilowatt hour (“kWh”) savings, and or kilowatt (“kW”) peak-demand reduction, as calculated or accepted by IPUC. Customers must schedule an onsite energy audit prior to installation and onsite post verification of installation; submit an EE Program application, including energy savings calculations and paid invoices, within 90 days of the project completion. A customer is only eligible to receive up to \$25,000 over the two-year budget cycle; unless otherwise approved by the IPUC Board.

**1.1 Energy Audits:** On-site energy audits and recommendations are designed to potentially improve energy operating efficiency and reduce load requirements. IPUC Large General Service customers are eligible for one ASHRAE Level I, II, or III energy audits at no cost once every two years. The number of energy audits completed each fiscal year shall be limited based on available funding. Energy audits will be scheduled

on a first-come, first-serve basis according to the date the EE Program application is received. The energy audit procedures are attached as Appendix B.

**1.2 Lighting Incentives:** EE Program payment for the installation of energy efficiency lighting upgrades that reduce annual energy usage. A pre and post inspection is required. The EE Program payment is based on a rate of \$0.125/kWh for one year of energy savings and shall not exceed 50% of the lighting material cost.

**1.3 Customized Incentives:** EE Program payment for the installation of energy efficient equipment/technology that conserves energy and permanently reduces coincident summer/winter peak demand and exceeds state-mandated codes, federal-mandated codes, industry accepted performance standards or other baseline energy performance standards. EE Program payment is based on a rate of \$0.125/kWh for one year of energy savings and \$150/kW for each on-peak kW that has been reduced and shall not exceed 50% of the total cost associated with the equipment/materials.

**1.4 Construction Incentives:** One-time EE Program payment for construction projects that include equipment components that exceed state-mandated codes, federal-mandated codes, industry-accepted performance standards, or other baseline energy performance standards by more than 10%. The EE Program payment is based on the lesser of 25% of the cost difference between standard and upgraded equipment and/or materials.

**2. General Service Program.** General Service customers must schedule an energy survey to receive a one-time program allowance, for the installation of specified energy measures, up to \$1,000 every two years. A description of the energy survey process is included in Appendix C and a list of the direct installed measures are included in Appendix E.

**2.1 Energy Surveys:** Energy survey of General Service customer's facilities and financial feasibility of recommended energy efficiency measures.

**2.2 Direct Install Program:** This program offers a list of energy efficiency measures including: light-emitting diode ("LED") lighting upgrades; lighting controls; refrigeration upgrades; Heating/Ventilation/Air-Conditioning ("HVAC") tune-ups; and pumps and motor replacement.

**3. Domestic Service Program.** Residential customers are eligible to receive a rebate of approved Energy Star® appliances up to \$250 per residence; and program allowance for the installation of specified energy measures, up to \$500 every two years. A description of the direct installed and rebate programs is described in Appendix D and a list of the direct installed measures are included in Appendix E.

**3.1 Domestic Rebate Program:** The qualified list of IPUC approved Energy Star® appliances are included in Appendix D.

**3.2 Direct Install Program:** The Domestic Direct Install Program includes an energy survey of the residence, energy survey report and direct installed measures. This program offers a list of energy efficiency measures including: energy efficiency lighting; HVAC tune-up and filter change out; and programmable/smart thermostat.

**4. IPUC Energy Efficiency Measures.** Payment for eligible projects must be authorized by the IPUC Board and shall not exceed \$10,000 per year.

**4.1 IPUC Energy Efficiency Measures:** Payment for IPUC energy efficiency measures promote a benefit to IPUC customers in terms of energy efficiency, conservation, or reduced peak-demand.

**V. EE Program Terms and Conditions:**

1. Participants are limited to IPUC and its electric customers with all associated utility accounts in good standing.
2. The Public Utilities Director or designee reserves the right to temporarily suspend the EE Program, or any component thereof, at any time or modify measures if models are not available, included in Appendix E. However, cancellation of or any permanent modifications to the EE Program must be approved by the IPUC Board.
3. Payments issued under EE Program Categories are limited to the availability of funds on a two-year basis beginning April 15, 2019.
4. Independent of the EE Program payment, eligible energy efficiency projects must be cost effective from the customer's perspective based upon the value of total estimated energy savings over the life of the installed measures. The installed equipment must have a useful life of at least five years.
5. Demand reduction and direct energy savings attributable to energy efficiency must be evaluated by IPUC's engineering consulting firm using accepted industry calculations or energy models. Savings calculations must include product specifications, hours of operations, the derivation of baseline conditions and all other assumptions used to support estimates.
6. Energy savings can be incentivized based on calculations using existing conditions of equipment or using efficiency values based on either accepted State (California Code of Regulations Title 24) or federal standards, whichever is higher.
7. When there is uncertainty of energy savings or demand reduction, IPUC may require measurement and verification (M&V) up to two years after installation of the project. If IPUC determines that M&V is necessary, IPUC customer service will request that the

applicant prepare and submit an M&V plan for review and approval by the Public Utilities Director or designee. For projects where M&V is required, 100% of the approved rebate/incentive will be paid after the project installation is confirmed, upon the final M&V report.

8. To verify eligibility and reserve funding, initial EE Program applications must be submitted to the IPUC Electrical Utility Operations Manager and pre-approved by the Public Utilities Director or designee before equipment is installed. The EE Program application must be accompanied by the estimates of demand reduction and annual energy savings outlined in item 5 above. Upon review of the application, IPUC Electrical Utility Operations Manager will provide written notice to the applicant of pre-approval status. The funding reservation, pre-inspection, and M&V requirements, if applicable, shall be included in such notice. IPUC will arrange to conduct a pre-inspection to verify the conditions of the preexisting equipment.
9. EE Program payment requests must be submitted by the applicant, in writing, within 120 days of issuance of the pre-approval notice to prevent cancellation of the funding reservation. Written requests must be accompanied by sufficient information to document project costs and must include, at a minimum, a copy of the dated sales receipt. The sales receipt is subject to verification and must note all necessary information to properly identify the qualifying product/equipment/materials, including, but not limited to: make/model, vendor, date, and price per qualifying unit. IPUC might also conduct a post-inspection to verify the installation of the energy efficiency measure.
10. Applicants may seek IPUC reimbursement for qualified projects that were completed within the fiscal year of 2018-2019 with IPUC approval. However, EE Program applications submitted on a reimbursable basis will have a lower priority than applications submitted in advance of installation and remain subject to funding availability and receipt of all relevant documentation and verification requirements outlined herein. Therefore, IPUC offers no guarantee that the applicant will receive an EE payment if the EE Program application is submitted on a reimbursable basis.
11. Payments will only be issued to IPUC customers for projects that demonstrate an overall reduction in usage or demand as required under the appropriate EE Program Category, as determined and approved by the Public Utilities Director or designee.
12. EE Program applications are subject to pre- and post-installation inspections. Customer agrees to fully cooperate with any authorized agents of IPUC for the purpose of such inspections. Customers who are not in compliance with terms and conditions of the EE Program, or to have provided false or inaccurate information on the EE Program application will be billed up to the full amount of the rebate, as may be appropriate.

13. All equipment installed must be new (not used, refurbished, or available for resale); used at the service address listed on the EE Program application; replace existing, operational, less energy-efficiency equipment; and utilize the same fuel source as existing equipment (electric for electric, not gas for electric).
14. With the exception of IPUC Projects, rebates/incentives are based on product cost only. Labor, equipment rentals, taxes and non-material costs are excluded.
15. Individual customers may not receive EE Program incentives in excess of \$25,000 during any given two years life of the program unless recommended by IPUC staff and specifically approved by the IPUC Board. Upon approval of the incentives and rebates, the check will be issued by IPUC and should be expected to arrive to the customer no later than six weeks after.
16. Rebate checks will only be issued and mailed to the IPUC customer listed on the application for service or as indicated in an official notification subsequently submitted to IPUC in writing following the initial application for service.
17. If the Customer is not satisfied with the EE Program incentive provided, the Customer may appeal to the IPUC Board. The appeal must be submitted in writing to the IPUC Board, together with the reasons for the dispute within ten (10) days following mailing of the Public Utilities Director or designee's determination. In the absence of a timely filed appeal, the Public Utilities Director or designee's determination will be final. Upon receipt of a timely appeal, the matter will be reviewed by the IPUC Board within 45 days of receipt. A written decision of the IPUC Board shall be delivered to the Customer by personal delivery or certified mail within fifteen days following the appeal hearing. Any decision of the IPUC Board is a final decision.
18. IPUC does not endorse or recommend specific products or dealers and disclaims any warranty, whether expressed or implied, regarding the equipment installed, or for any material or labor associated with its installation, maintenance, repair, safety, satisfactory performance, or any energy savings associated with its use.
19. Public Utilities Director will approve/pre-approve funding in an amount up to \$10,000.00 for any project in the form of rebate/incentive/direct funding for any customer. For any customer project exceeding \$10,000.00 in rebate/incentive/direct funding will require IPUC Board approval.