

## Commercial & Industrial Energy Efficiency Program

### Terms and Conditions Table of Contents

<b>1</b>	<b>Terms and Conditions .....</b>	<b>2</b>
1.1	Purpose.....	2
1.2	Limited Funds .....	2
1.3	Program Effective Dates .....	2
1.4	Program Eligibility.....	2
1.5	Project Eligibility .....	2
1.6	Project Requirements .....	3
1.7	Project Completion .....	3
1.8	Incentive Payment Limits, Estimates & Final Amount .....	4
1.9	Savings Guarantee .....	4
1.10	Application Review Process .....	4
1.11	Pre-approval Application .....	5
1.12	Final Application .....	5
1.13	Cost and Invoice Documentation.....	5
1.14	Pre & Post-Installation Inspection .....	5
1.15	Energy Saving Calculation Requirements .....	5
1.16	Monitoring .....	6
1.17	Capacity Rights .....	6
1.18	Carbon Reduction Rights.....	6
1.19	Equipment De-Commissioning.....	6
1.20	Maintenance of Equipment.....	7
1.21	Publicity of Customer Participation.....	7
1.22	Indemnification and Limitation of Liability .....	7
1.23	No Warranties or Representations by the Program Administrator .....	8
1.24	Equipment and Contractor Selection and Contracting.....	9
1.25	Tax Liability.....	9
1.26	Disclaimer .....	9
1.27	Confidentiality .....	9

# **1 Terms and Conditions**

The Cuyahoga Falls Electric System is providing Commercial and Industrial (C&I) customers incentive funding for implementing energy efficiency projects through the COMMERCIAL AND INDUSTRIAL ENERGY EFFICIENCY PROGRAM (hereafter referred to as CIEEP). Anywhere this document reads Cuyahoga Falls Electric System, it is inclusive of the City of Cuyahoga Falls.

## **1.1 Purpose**

The purpose of this program is to help customers invest in energy efficiency measures for their facilities and processes through providing incentive money. These incentives are expected to help reduce the implementation cost of the projects, promote energy efficiency and reduce customer electric bills.

## **1.2 Limited Funds**

Funds for this program are limited and subject to availability. Incentive money for energy efficiency projects will be available until the annually approved funds are exhausted or until the end of the annual incentive solicitation, whichever comes first. Subsequent incentive solicitations may be made available in later years.

## **1.3 Program Effective Dates**

Pre-approval Applications will be accepted from Cuyahoga Falls Electric System Commercial and Industrial electric customers until Friday, October 13<sup>th</sup>, 2017, or until all available funds have been reserved for eligible projects. The applicant will be notified in writing of project pre-approval and funding reservation. All dates are subject to change.

Project pre-approval applications with supporting documentation should be mailed to the City of Cuyahoga Falls CIEEP, ATTN: Becky McCleary, 2310 2<sup>nd</sup> Street, Cuyahoga Falls, Ohio 44221.

## **1.4 Program Eligibility**

The CIEEP offers commercial and industrial customers incentives for electrical energy efficiency measures in areas such as HVAC, motors, pumps, fans, compressed air, refrigeration, process cooling, process heating, etc. Rebates are only available to non-residential customers. You may call 330-971-8287 to determine if you are eligible for the program.

## **1.5 Project Eligibility**

Any project being implemented by a non-residential customer with the intention of reducing the customer's electrical consumption and peak demand is eligible to apply for incentive money. All projects must submit a pre-approval application and receive pre-approval in the form of a written contract with the Cuyahoga Falls Electric System before being eligible to receive incentive money.

## 1.6 Project Requirements

- Projects must involve a facility improvement that results in a permanent reduction in electrical energy usage (kWh).
- Prior to incentive payment, projects should generally result in a simple payback period between 1 to 7 years, based on electric energy cost savings. Energy cost savings shall be based on both energy consumption and peak demand reductions. The Cuyahoga Falls Electric System reserves the right to develop cost effectiveness tests to determine if a project qualifies for incentive money.
- Projects that are NOT eligible for an incentive include, but are not limited to, the following:
  - Fuel switching (e.g. electric to gas or gas to electric)
  - On-site electricity generation
  - Projects involving gas-driven equipment in place of or to replace electric equipment (such as a chiller)
  - Projects focused primarily on power factor improvement (such as capacitor banks)
  - Projects that involve peak-shifting (and not kWh savings)
  - Renewable energy generation
  - Used or rebuilt equipment
  - Studies or energy audits
- Any measures installed at a facility must be sustainable and provide 100% of the energy benefits as stated in the application for the life of the product. If the customer ceases to be a delivery service customer of the Cuyahoga Falls Electric System or removes the equipment or systems at any time during the period, the customer may be required to return a prorated amount of incentive funds to the Cuyahoga Falls Electric System.
- All installed equipment must meet or exceed state, federal, or local codes and requirements.
- Projects must be installed on the Cuyahoga Falls Electric System electric account listed on the application.
- Equipment must be purchased, installed, and operating (or capable of operating in the case of seasonal uses) prior to submitting a final rebate application.
- Preference will be given to projects that might not have been performed absent the incentive funding.
- Projects must save more than 7,500 kWh per year.

## 1.7 Project Completion

No incentive money will be given to a customer before the energy efficiency project has been completed. The project is considered completed when the new equipment/system is fully installed,



functional, and operating under the design intended controls and sequencing. Projects are expected to be completed within 12 months of pre-approval of the application.

## **1.8 Incentive Payment Limits, Estimates & Final Amount**

- The Cuyahoga Falls Electric System reserves the right to determine, adjust and/or negotiate the incentive amount.
- Incentive payments for pre-approved projects will be paid at \$0.06 per kWh annual energy savings plus \$75 per kW (Summer peak) of demand reduction. The maximum incentive payout will be no greater than fifty percent (50%) of the project cost. The incentive payment amount is subject to available funding.
- The maximum incentive payout will be no greater than fifty percent (50%) of the project cost.
- After an incentive amount is pre-approved, the Cuyahoga Falls Electric System will pay no more than the pre-approved incentive amount.
- A maximum incentive of \$50,000 is available. No projects or combination of projects will be awarded greater than the maximum incentive.

The Cuyahoga Falls Electric System reserves the right to reduce or eliminate the incentive amount if the project actually installed differs from the project presented in the pre-approval application or if the project was not installed in accordance with these terms and conditions. The incentive amount can also be reduced or eliminated in the event of a shutdown or significant reduction of operations at facility where the energy efficiency project is located. The customer shall be obligated to refund such incentive amounts paid by the Cuyahoga Falls Electric System where the projected energy savings have not been achieved as a result of the foregoing circumstances.

## **1.9 Savings Guarantee**

The applicant must recognize that the Cuyahoga Falls Electric System does not guarantee energy savings and does not make any warranties associated with the project. Additionally, the overall feasibility and benefits of the project to the customer can only be determined by the customer themselves.

## **1.10 Application Review Process**

The Cuyahoga Falls Electric System will review pre-approval applications and final applications for eligibility and completeness. Applications are not a guarantee of program acceptance and incentive payment. The program administrator reserves the right to approve or disapprove of any application or proposed project.

Pre-approval and/or final applications that are submitted incomplete, or with insufficient savings calculations or supporting data, may be rejected.

Line items, or sub components, of projects may be rejected if they do not meet project eligibility or requirements.



Funds are reserved for projects after the project completes the pre-approval process. Incomplete applications will not be processed and may lose their place in line in the review process until all requested information is received. Applicants are encouraged to call 330-971-8287 with all questions regarding the application process and requirements.

### **1.11 Pre-approval Application**

All projects are custom and require pre-approval by the Cuyahoga Falls Electric System. The pre-approval application requires the signature of the utility customer at the location where the project is being implemented. Pre-approval applications **MUST** include: rate class of customer and estimated electricity savings calculations, according to the requirements described in Section 1.15 Energy Savings Calculation Requirements of these terms and conditions, along with the project's estimated simple payback, based on energy cost savings. Contact Utility Billing at 330-971-8250 to obtain rate class. Use the rate calculator on the City of Cuyahoga Falls web page listed once you click to the Electric or Energy Efficiency Program web page. Incomplete applications will not be processed and the customer will be notified about lack of required information. A notification of receipt of the completed pre-approval application will be issued by CFES to each customer.

### **1.12 Final Application**

The final application must be submitted within 60 days of project completion. The final application requires the signature of the utility customer at the location where the project is being implemented. Project documentation, such as copies of dated and paid invoices for the purchase and installation of the energy efficiency measures, along with product technical specification sheets, must be included with the application. The Cuyahoga Falls Electric System reserves the right to request additional supporting documentation as necessary to confirm eligibility and verify savings.

### **1.13 Cost and Invoice Documentation**

The project invoice and cost information must be submitted in support of the final application. The location or business name on the invoice must be consistent with the application information. The project invoice should provide sufficient detail to separate the project cost from the cost of other services such as repairs and building code compliance.

### **1.14 Pre & Post-Installation Inspection**

The Cuyahoga Falls Electric System reserves the right to perform a pre-installation and post-installation inspection. If the post-installation inspection reveals a difference between the estimated energy savings, as calculated prior to installation, and the actual expected savings following installation, the final rebate value may be reconciled to the actual expected savings.

### **1.15 Energy Saving Calculation Requirements**

The project's annual electricity savings must be calculated using industry-accepted engineering algorithms or simulation models. The applicant may estimate the annual electricity usage and peak demand contribution based on the current operation of the facility. The existing equipment performance may serve as the baseline in energy savings calculations only when equipment is



replaced prior to the end of the rated service life. Where equipment is replaced for other reasons, such as failure, needed capacity or obsolescence, the baseline performance used in the savings calculations should be either the minimum performance required by code for that equipment type and application (where code applies). If code does not apply, the baseline should be the performance of equipment that would have been selected as the industry's "standard practice" option.

All energy savings calculation methods must be clearly described and transparent in a way that another engineer can determine all key assumptions made, tools referenced and equations used. All sources of key assumptions, equations and/or tools should be referenced. The Cuyahoga Falls Electric System reserves the right to utilize their own approved methodologies and analyses to determine energy savings.

All calculation methodologies and assumptions will be reviewed by the Cuyahoga Falls Electric System. The Cuyahoga Falls Electric System will be solely responsible for final determination of the annual energy consumption and summer month peak demand reductions to be used in determining the incentive amount. The Cuyahoga Falls Electric System also reserves the right to require energy measurement and verification activities, including monitoring, both before and after the project implementation, to determine the incentive.

### **1.16 Monitoring**

The Cuyahoga Falls Electric System reserves the right to perform monitoring and inspection of the energy efficiency projects for a three year period following completion of the installation in order to determine the actual demand reduction and energy savings. As a condition of receiving an incentive, the customer agrees to provide access and information to the Cuyahoga Falls Electric System and to cooperate regarding such activity. By participating in the program, the customer acknowledges and agrees that no activity by Cuyahoga Falls Electric System includes any kind of safety, code, or other compliance review.

### **1.17 Capacity Rights**

The Cuyahoga Falls Electric System owns the capacity rights and reserves the right to aggregate energy-efficiency capacity resources associated with projects that receive CIEEP funds and at its discretion either:

- Bid them into the appropriate Pennsylvania-Jersey-Maryland (PJM) base residual auction (BRA) and subsequent incremental auctions, or
- Sell these energy efficiency capacity resources to a 3<sup>rd</sup> party aggregator or other entity that has taken positions in the BRA or incremental auctions, or for the purpose of bidding the resources into the PJM BRA and incremental auctions.

### **1.18 Carbon Reduction Rights**

The Cuyahoga Falls Electric System owns the carbon reduction rights and reserves the right to aggregate the carbon dioxide and other greenhouse gas (GHG) reduction attributes associated with



projects that receive CIEEP funds in order to commit these reductions to Ohio or other states towards their compliance with EPA 111d regulations.

### **1.19 Equipment De-Commissioning**

Where the project involves replacing existing equipment, the existing equipment must be decommissioned. The existing equipment may be retained for use as back-up equipment with the Cuyahoga Falls Electric System's permission. The existing equipment may also be sold for scrap, but cannot be sold for use in another production environment, since this could negate the intended energy savings of the project.

### **1.20 Maintenance of Equipment**

The customer acknowledges and agrees that to operate and maintain the CIEEP-incentivized efficiency project in accordance with the manufacturer's recommendations and the terms hereof, and shall replace consumable parts and other components with comparable or superior efficient products at the customer's expense.

### **1.21 Publicity of Customer Participation**

The customer grants the Cuyahoga Falls Electric System the right to use and reference for promotional and regulatory purposes the customer's participation in the program, the details of the project and the energy savings, the amount of incentives paid to the customer, and any other information relating to the customer's participation in the program.

### **1.22 Indemnification and Limitation of Liability**

Customer shall indemnify, defend and hold harmless the Cuyahoga Falls Electric System, its affiliates and their respective contractors, officers, directors, employees, agents, representatives from and against any and all claims, damages, losses and expenses, including reasonable attorneys' fees and costs incurred to enforce this indemnity, arising out of, resulting from, or related to the Cuyahoga Falls Electric System or the performance of any services or other work in connection with the program, caused or alleged to be caused in whole or in part by any actual or alleged act or omission of the customer, any subcontractor, agent, or third party, or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable. To the fullest extent allowed by law, the Cuyahoga Falls Electric System's aggregate liability, regardless of the number of claims, shall be limited to paying approved incentives in accordance with these Terms and Conditions and the Cuyahoga Falls Electric System and its affiliates and their respective contractors, officers, directors, employees, agents, representatives shall not be liable to the customer or any other party for any other obligation. To the fullest extent allowed by law and as part of the consideration for participation in the program, the customer waives and releases the Cuyahoga Falls Electric System and its affiliates from all obligations (other than payment of an incentive), and for any liability or claim associated with the energy efficiency project, the performance of the energy efficiency project, the Cuyahoga Falls Electric System, or these Terms and Conditions.

### **1.23 No Warranties or Representations by the Program Administrator**

- THE CUYAHOGA FALLS ELECTRIC SYSTEM DOES NOT ENDORSE, GUARANTEE, OR WARRANT ANY CONTRACTOR, MANUFACTURER OR PRODUCT, AND MAKES NO WARRANTIES OR GUARANTEES IN CONNECTION WITH ANY PROJECT, OR ANY SERVICES PERFORMED IN CONNECTION HERewith OR THEREWITH, WHETHER STATUTORY, ORAL, WRITTEN, EXPRESS, OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. THIS DISCLAIMER SHALL SURVIVE ANY CANCELLATION, COMPLETION, TERMINATION OR EXPIRATION OF THE CUSTOMER'S PARTICIPATION IN THE PROGRAM. CUSTOMER ACKNOWLEDGES AND AGREES THAT ANY WARRANTIES PROVIDED BY ORIGINAL MANUFACTURERS', LICENSORS', OR PROVIDERS' OF MATERIAL, EQUIPMENT, OR OTHER ITEMS PROVIDED OR USED IN CONNECTION WITH THE PROGRAM UNDER THESE TERMS AND CONDITIONS, INCLUDING ITEMS INCORPORATED IN THE PROGRAM, ("THIRD PARTY WARRANTIES") ARE NOT TO BE CONSIDERED WARRANTIES OF THE PROGRAM ADMINISTRATOR AND THE PROGRAM ADMINISTRATOR MAKES NO REPRESENTATIONS, GUARANTEES, OR WARRANTIES AS TO THE APPLICABILITY OR ENFORCEABILITY OF ANY SUCH THIRD PARTY WARRANTIES. THE TERMS OF THIS SECTION SHALL GOVERN OVER ANY CONTRARY VERBAL STATEMENTS OR LANGUAGE APPEARING IN ANY PROGRAM ADMINISTRATOR'S OTHER DOCUMENTS.
- Neither Cuyahoga Falls Electric System nor any of its employees or contractors is responsible for determining that the design, engineering or installation of the energy efficiency projects is proper or complies with any particular laws, codes, or industry standards. The Cuyahoga Falls Electric System does not make any representations of any kind regarding the benefits or energy savings to be achieved by the projects or the adequacy or safety of the projects.
- Customer acknowledges and agrees that it is solely responsible (directly-based on its own judgment or indirectly-based on the advice of an independent expert (not the Cuyahoga Falls Electric System) for all aspects of the energy efficiency projects and related work including, but not limited to: selecting the equipment; selecting contractors to perform the work; inspecting the work and the equipment; ensuring that the equipment is in good working order and condition; ensuring that the equipment is of the manufacture, design specifications, size and capacity selected by the customer and that the same is properly installed and suitable for customer's purposes; and determining if work was properly performed.
- Customer agrees and acknowledges that the Cuyahoga Falls Electric System is not a manufacturer of, or regularly engaged in the sale or distribution of, or an expert with regard to, any equipment or work.



- The provisions of this Section 1.23 shall survive the termination, cancellation or completion of the customer's participation in the program.

## **1.24 Equipment and Contractor Selection and Contracting**

Customer is responsible for selecting and purchasing the energy efficiency project and selecting and contracting with the design and installation contractor(s). The customer shall be responsible for enforcing all such contracts and for assuring that the project meets program requirements and applicable laws, regulations and codes, and that the contractor(s) are properly qualified, licensed and insured. Notwithstanding the foregoing, the customer acknowledges that the Cuyahoga Falls Electric System reserves the right to deny a vendor or contractor participation in this program or provide equipment or services. The Cuyahoga Falls Electric System also has the right to exclude certain equipment from the program

## **1.25 Tax Liability**

All issued incentive money is taxable, if more than \$600 will be reported to the IRS, unless customer is exempt. The Cuyahoga Falls Electric System is not responsible for any taxes that may be imposed on the client as a result of the receiving the incentive money.

## **1.26 Disclaimer**

The Cuyahoga Falls Electric System does not guarantee the energy savings and does not make any warranties associated with the measures eligible for rebates under this program. The Cuyahoga Falls Electric System has no obligations regarding, and does not endorse or guarantee, any claims, promises, work, or equipment made, performed, or furnished by any contractors or equipment vendors that sell or install energy efficiency measures. The Cuyahoga Falls Electric System is not responsible for the proper disposal/recycling of any waste generated as a result of this project. The Cuyahoga Falls Electric System is not liable for any damage caused by the operation or malfunction of the installed equipment. Please ensure that proper care is taken to dispose of any equipment that may contain hazardous materials.

## **1.27 Confidentiality**

The Cuyahoga Falls Electric System and its subcontractors will keep all customer, vendor and contractor information confidential, as allowed by law, and will not share this information with other persons or organizations.