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PECO

Post-2010 Smart Ideas

**Sheet Metal Contractors
Association of Philadelphia
and Sheet Metal Workers
International Association
Local Union 19**

March 11, 2010

Utility Functions



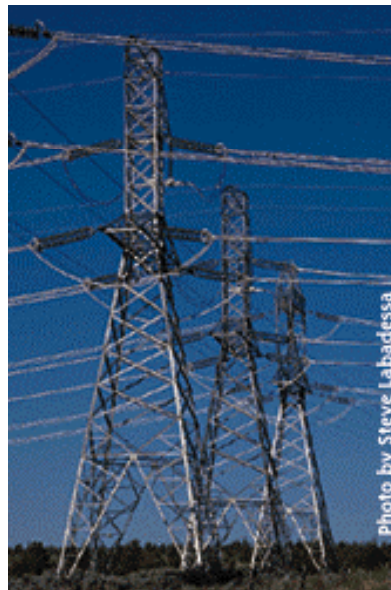
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- Before deregulation, utilities owned and operated all parts of the electric system.
- After deregulation, generation assets are separate from transmission and distribution companies.

Generation



Transmission



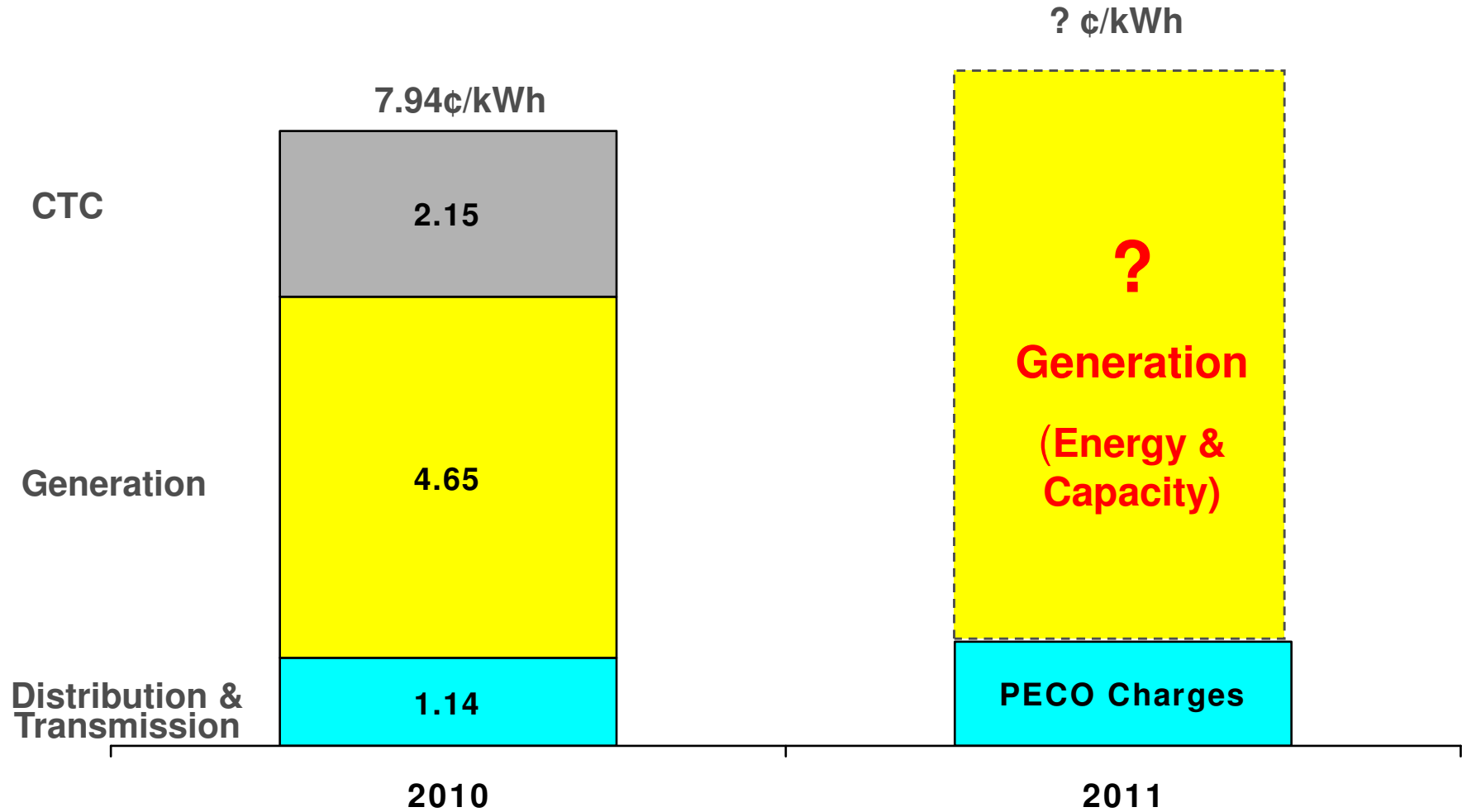
Distribution



Deregulation in PA

- Retail Electric Competition (1996)
 - Generation to be open to competition
 - Distribution/Transmission to remain regulated
- Transition period: through 12/31/2010
 - Prices set through 2010 – “rate caps” protect against volatile market prices
 - PECO no longer owns or generates power; contract for power through 2010
 - Limited competition because rate caps are lower than what suppliers can provide, i.e. prices today are below market

PECO Electric Rate HT, ¢/kWh



Looking Ahead

- Transition period ends December 31, 2010
 - Rate caps expire
 - Competitive Transition Charge (CTC) eliminated
 - PECO's contract for generation expires
- PECO will remain as Default Service Provider
- New rules for how PECO procures generation supply for default service customers
 - Prices determined by competitive energy market

PECO Smart Equipment Incentives – The Energy Efficiency Program

Purpose of the Program

- Act 129: Legislation passed by Pennsylvania requiring energy efficiency programs throughout the State of Pennsylvania
- Encourage government, institutional, non-profit and C&I customers to improve energy efficiency in existing and new facilities
- Reduce the electric demand in Pennsylvania
 - Improve environment
 - Lower customer bills

Programs Offered by PECO

- Residential Programs
 - PECO Smart Home E-Audit
 - PECO Smart Lighting Discounts
 - PECO Smart Home Rebates
 - PECO Smart Appliance Recycling
 - PECO Smart A/C Saver
 - PECO Smart Time Pricing
 - PECO Smart House Call
 - PECO Smart Builder Incentives
 - PECO Smart Equipment Incentives
 - PECO Smart Construction Rebates
- Business/Gov't/Non-Profit Programs
 - **PECO Smart Equipment Incentives**
 - Commercial/Industrial
 - Government/Institutional/Non-Profit
 - Permanent Load Reduction
 - Smart Construction
 - PECO Smart Energy Saver
 - Smart Time Pricing
 - Smart Returns

Incentive Types

There are **two incentive types**:

- Prescriptive Incentives
 - You install energy efficient equipment and achieve **pre-determined savings and incentive levels**
- Custom Incentives
 - Incentives are determined on a **case-by-case basis** and are paid per unit energy saved (kWh and/or kW)
- PECO business customers are eligible
- The “Applicant” is the firm that purchases EE measures that are installed at a facility served by PECO
- Projects must meet various program requirements

Program Application

- Summarizes program application and payment process
- Used to collect information about the customer, the type and amount of incentives requested
- Commercial, industrial, governmental, institutional and non-profit customers all use same application
- Multifamily customers to use separate application
- Applicant info section
- Terms and conditions outline program requirements
- Custom and prescriptive worksheets
 - Which measures installed?
 - How much incentives requested?
- Additional specialized worksheets
- PDF and Excel versions available for download at **www.peco.com/SmartIdeas**

General Qualification Terms

- Projects completed on or after July 1, 2009 are eligible for incentives with appropriate documentation
- Applications for projects completed prior to March 1, 2010 must be submitted by December 31, 2010
- Must submit final application within 60 days of project completion
- Comprehensive energy audits for governmental, institutional, and non-profit customers that result in electrical savings may be eligible for incentives
- Customers, contractors, or third parties can receive payment

Pre-approval Application

- Applicants are **strongly encouraged** to submit a Pre-approval Application
- Pre-approval Application is **required** for custom projects, delamping, and new T8-T5 fixtures
- A Pre-approval Application triggers the team to review your application in order to make a funding reservation
- Reservations are generally for 90 days, please notify us as soon as you are considering a longer term project
- A reservation is **not a guarantee** of incentive payment at the reserved amount
- A reserved incentive amount ensures that funding will be available when project is completed and scope and eligibility is verified

Eligible Prescriptive Measures

Prescriptive measures are offered on per unit, wattage reduced, or wattage-controlled basis



Lighting
HVAC
Refrigeration
Motors



Eligible Custom Measures

Projects that are on the prescriptive measures list are not eligible for custom incentives even if the calculated incentive is greater

Examples of Eligible Custom Measures:

- Process equipment improvements
- New air compressors or controls
- Refrigeration controls
- Additional cooling tower capacity
- “Free Cooling” (Direct Tower Cooling)
- Heat recovery
- Cool roofs or shading

Program Caps and Limitations

- Incentive funds are limited, funds are reserved based on availability
- Measures must be installed for 5 years or the life of the measure, whichever is less
- Prescriptive and custom incentives may not exceed 100% of the total project cost
- Maximum incentive of \$1,000,000 per account per program year
- Program year is from June 1 to May 31
- Incentives for energy audits for governmental, institutional, and non-profit customers may not exceed \$10,000, 50% of the energy audit cost, or \$0.10 per square foot

Custom Incentives

- Includes any energy efficiency or energy reduction measure except those eligible for prescriptive incentives
- Incentives based on annual on-peak and off-peak energy (kWh) savings
 - \$0.12/kWh On-Peak Incentive
 - \$0.08/kWh Off-Peak Incentive
- On-peak period for the purpose of incentives is defined as noon to 8 pm weekdays from June 1 – September 30, not including holidays

Application Checklist

PRE-APPROVAL APPLICATION	
Required Attachment	
<input type="checkbox"/>	Customer/Contractor Information
Incentives Worksheets	
<input type="checkbox"/>	Lighting
<input type="checkbox"/>	HVAC
<input type="checkbox"/>	Refrigeration/Food Svc
<input type="checkbox"/>	Motors and VFD
<input type="checkbox"/>	Custom
<input type="checkbox"/>	Technical Assistance
Application Date:	_____
Expected Completion Date*:	_____
<i>*Project funds will only be reserved for 90 days from date of Reservation.</i>	

FINAL APPLICATION	
Required Attachments	
<input type="checkbox"/>	Customer/Contractor Information
<input type="checkbox"/>	Signed Final Application Agreement
<input type="checkbox"/>	Itemized Invoices
<input type="checkbox"/>	Equipment Specifications
<input type="checkbox"/>	Updated scope if project changed
Incentives Worksheets	
<input type="checkbox"/>	Lighting
<input type="checkbox"/>	HVAC
<input type="checkbox"/>	Refrigeration/Food Svc
<input type="checkbox"/>	Motors and VFD
<input type="checkbox"/>	Custom
<input type="checkbox"/>	Technical Assistance
TRM Worksheets (if required)	
<input type="checkbox"/>	Lighting
<input type="checkbox"/>	Motors
Application Date:	_____
Final Completion Date:	_____
<i>*Incomplete applications will delay processing and incentive payment.</i>	

Application Available on Website

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INCENTIVE APPLICATION

Important: Please read the terms and conditions before signing and submitting this application. You must complete all information and provide required additional documentation to avoid processing delays.

CUSTOMER INFORMATION

Primary Building Type <i>(select one)</i>		Tax Status <i>(as entered on W9)</i>	
OFFICE BUILDING <input type="checkbox"/>	EDUCATION (K-12) <input type="checkbox"/>	Corporation (Inc., PC, Etc.) <input type="checkbox"/>	
LARGE RETAIL (> 10,000 SQUARE FT) <input type="checkbox"/>	EDUCATION (COLLEGE/UNIVERSITY) <input type="checkbox"/>	Tax Exempt <input type="checkbox"/>	
SMALL RETAIL <input type="checkbox"/>	ASSEMBLY/MEETING <input type="checkbox"/>	Individual <input type="checkbox"/>	
GROCERY <input type="checkbox"/>	INDUSTRIAL/MANUFACTURING <input type="checkbox"/>	Other (may receive 1099) <input type="checkbox"/>	
RESTAURANT (FAST FOOD) <input type="checkbox"/>	WAREHOUSE/STORAGE <input type="checkbox"/>	_____ (describe other)	
RESTAURANT (FULL SERVICE) <input type="checkbox"/>	REFRIGERATED WAREHOUSE <input type="checkbox"/>		
LODGING <input type="checkbox"/>	STREET/TRAFFIC LIGHTS <input type="checkbox"/>		
HOSPITAL/HEALTH CARE <input type="checkbox"/>	MULTI-FAMILY/MULTI-RESIDENCE <input type="checkbox"/>		
MEDICAL OFFICE / CLINIC <input type="checkbox"/>	OTHER <input type="checkbox"/>		
Business Type <i>(select one)</i>		Project Type	
COMMERCIAL/INDUSTRIAL <input type="checkbox"/>		Retrofit <input type="checkbox"/>	
GOVERNMENT/MUNICIPAL <input type="checkbox"/>		New Construction <input type="checkbox"/>	
SCHOOL <input type="checkbox"/>			
NON-PROFIT <input type="checkbox"/>			
OTHER <input type="checkbox"/>			
		SQUARE FOOTAGE OF BUILDING(S) AFFECTED BY THIS PROJECT _____	

NAME OF APPLICANT'S BUSINESS		PROJECT NAME (IF APPLICABLE)		
NAME AS IT APPEARS ON PECO BILL	PECO ACCT #*	APPLICANT TAXPAYER ID # (SSN/FEIN)		
MAILING ADDRESS	CITY	STATE	ZIP	
INSTALLATION ADDRESS	CITY	STATE	ZIP	
As an eligible customer, I verify the information is correct and request consideration for participation under this program.				
CUSTOMER SIGNATURE (PECO CUSTOMER)		PRINT NAME		
TOTAL INCENTIVE REQUESTED**		DATE		

Get Involved as a Trade Ally

- **Contractors, vendors, architect/engineering firms, ESCOs (energy service companies), and others can become a Trade Ally**
- **Trade Ally benefits include:**
 - Customer incentives and technical support
 - Listing on the program website
 - Easy access to program information and updates
- **How to become a listed Trade Ally?**
 - Complete an application for listing
 - Complete and sign listing agreement
- **What the program will not do for you:**
 - Convey that PECO is endorsing your product or workmanship
 - Use the pre-approval process to “lock up” customers
 - Provide customer lists or customer energy data (without consent)
 - Release pre-approval information to other vendors

Work With Customer to Submit Project

- Step 1:** Conduct site visit, assess customer needs, and develop energy efficiency opportunities and strategies
- Step 2:** Request project Pre-Approval Application and supply required documentation
- Step 3:** Work with customer to implement the energy efficiency measures
- Step 4:** Submit final application with documentation, receipts, signatures, and invoices to the program team
- Step 5:** Facilitate post-implementation inspection, if necessary

Incentive checks are typically mailed 4 - 6 weeks after the applicant submits a completed final application

Thank You!

Contact Us

- **EMAIL: pecosmartideas@kema.com**
- **WEBSITE: www.peco.com/SmartIdeas**
- **PHONE: 1-888-5-PECO-SAVE (1-888-573-2672)**
- **FAX: 1-215-996-3982**