

## Overview

### **Rocky Mountain Power Self-Direction Credit program: An energy efficiency program option for large Rocky Mountain Power customers**

The Self-Direction Credit program provides large commercial and industrial customers in Utah the opportunity to self-fund energy conservation projects at their facilities. Customers who engineer, implement and commission qualifying projects receive credits to offset the Customer Efficiency Service charge on their bills.

#### **How the program works**

Under the Self-Direction Credit program, customers submit projects they've developed after September 23, 2003, and, upon approval, receive credits equal to 80 percent of eligible costs. These credits are a direct offset to 100 percent of the monthly Customer Efficiency Services charge.\*

- There is a \$500 administrative fee per project.
- Pre-approval is recommended (but not required).
- There are caps on the total value of credits per year.
- Customers may participate in both the Self-Direction Credit program and other Rocky Mountain Power incentive programs, but only one program may be applied to any project.

#### **Who is eligible**

Customers in Utah who pay the Customer Efficiency Services charge and have:

- a peak load of 1,000 kw and/or
- annual usage of 5,000,000 kwh

within the prior twelve months. The minimum usage requirement can be met with electric use at a single meter or at meters that are aggregated. A customer can aggregate Rocky Mountain Power meters serving facilities under common ownership. Customers constructing new facilities may be eligible if the estimated electric usage at a single meter or meters meets the usage requirements listed above.

#### **What projects are eligible**

DSM projects – including a measure or package of measures, activity or program – that:

- are designed to promote electric energy efficiency or conservation, or more efficient management of electric loads at one or more eligible customer facilities,
- meet reasonable industry standards as determined by Rocky Mountain Power's Self-Direction Credit administrator or the Commission,
- have a simple payback between one and five years or that meet alternative eligibility criterion as determined by the Self-Direction Credit administrator, and
- where applicable, meet minimum equipment efficiency and eligibility requirements under the FinAnswer Express program (Schedule 115).
- were not provided an incentive through another Rocky Mountain Power efficiency program

If Rocky Mountain Power provided energy engineering services for a project in the past, the customer can submit that project or a portion of the project to the Self-Direction Credit program once the customer has repaid Rocky Mountain

Power for the prior energy engineering services. If the customer wants to self-direct a portion of a project receiving prior energy engineering services from Rocky Mountain Power, the repayment amount will be prorated based on energy savings. Energy engineering repayments will be waived for services completed more than three years before the date of receipt of a complete Self-Direction Credit program submittal.

*\*There is another type of credit available. See Frequently Asked Questions for details.*

## Required information to qualify your project(s)

To qualify your project, submit the following to Rocky Mountain Power's Self-Direction Credit program administrator:

- **Site information** – name, address, account and meter number(s), usage history, project location
- **Energy savings** – project overview or description, existing or baseline equipment inventories and operation, proposed equipment descriptions and operation, baseline usage measurements or calculations, proposed equipment usage calculations, description of variables affecting energy savings, total energy and demand savings
- **Costs** – energy engineering to quantify savings, design engineering, equipment, installation labor, project management, equipment start-up
- **Commissioning** – The Self-Direction Credit program administrator may require a Commissioning plan be submitted for projects seeking Pre-Qualification. Completed Projects may be required to provide a Commissioning report prior to Self-Direction Credit approval.
- **Misc. required information** – information regarding Rocky Mountain Power funding, financing arrangements, and other information as required by the administrator to determine eligibility of the customer, the project and the expenses

## Steps to program participation

1. Determine eligibility – Customer determines eligibility for program by reviewing energy usage at their facilities
2. Identify projects – Customer identifies and develops potential projects
3. Pre-qualify proposed project (pre-approval is recommended, but not required)
  - Customer submits required information to the Self-Direction Credit program administrator using project application along with a non-refundable administrative fee per Demand Side Management (DSM) project (\$500 minimum)
  - Each customer participating in the program signs the Self-Direction Credit program agreement
  - Within 30 days of receipt of all required information, the Self-Direction Credit administrator notifies the customer in writing regarding pre-approval
4. Implement project – Customer implements DSM project including commissioning (if required)
5. Submit required information on the as-built project to the program administrator for a determination of eligible expenses
  - Provide cooperation and access so the program administrator can determine whether the project is complete and consistent with the project as pre-qualified.
  - Within 30 days of receipt of all required information, the program administrator notifies the customer in writing of the amount of eligible expenses and the Self-Direction Credit.
6. Administrator provides Rocky Mountain Power the amount of eligible credits
  - The Self-Direction Credit in the amount of the Customer Efficiency Services charge appears on the customer's bill(s) as soon as practical.
  - Each month, Rocky Mountain Power provides the Self-Direction Credit administrator with the amount of actual Self-Direction Credits applied to the prior month's bills.
  - The program administrator notifies Rocky Mountain Power at least 60 days before the month when the Self-Direct Credits are projected to be exhausted.
  - On the month designated by the program administrator, the remaining Self-Direction Credits are applied to the bill. The amount may be less than the full Customer Efficiency Services charge.

## For more information

Contact Rocky Mountain Power or the Self-Direction Credit program administrator.

Self-Direction Credit program administrator

- Call 1-888-682-1234.
- E-mail: **[selfdirection@rockymountainpower.net](mailto:selfdirection@rockymountainpower.net)**.

Rocky Mountain Power

- Contact your account manager.
- Visit our website: **[rockymountainpower.net/wattsmart](http://rockymountainpower.net/wattsmart)**
- E-mail: **[energy.expert@pacificorp.com](mailto:energy.expert@pacificorp.com)**.
- Call our **energy services hotline** at **1-800-222-4335**.

## Frequently Asked Questions Self-Direction Credit program

### Program timeline and caps

*How long will the Self-Direction Credit program be available?* The program is currently set to expire automatically with the Customer Efficiency Services charge on March 31, 2014 (unless extended by the Utah Public Service Commission).

*What is the cap?* The total program cap for new projects is \$5 million in credits per year. Credits will be approved on a first-come, first-served basis.

### Self-Direction Credit

*What is the credit and how is it used?* The credit is 80 percent of eligible expenses from a DSM project. It is applied against 100 percent of the customer's monthly Customer Efficiency Services charge on their electric bill until the entire credit is used or until the charge expires.

*What is the Customer Efficiency Services charge and how is it calculated?* On Sept. 23, 2003, the Utah Public Service Commission approved Rocky Mountain Power's request to collect the costs associated with DSM as a separate Customer Efficiency Services line item on customer bills rather than including those costs as part of general rates. The Customer Efficiency Services charge began appearing on Utah customer bills effective April 1, 2004.

The Customer Efficiency Services charge is approximately 4.6 percent of the total of the customer's monthly energy and demand charges, including any voltage discount. Unless a customer has Self-Direction Credits, the charge appears on each monthly bill.

*Can Customer Efficiency Services charge payments be refunded once I have a Self-Direction Credit approved?* No, the Customer Efficiency Services charge cannot be refunded once billed. Self-Direction Credits can be used on a going forward basis only.

### Customer eligibility

*Are customers on special contracts eligible?* No.

### Process details

*What is an appropriate baseline for energy consumption and project implementation cost?* The baseline is the equipment inventory and operation prior to implementing energy efficiency improvements. Energy savings and implementation costs are calculated from the baseline. Baseline determination for the Self-Direction Credit program is consistent with Rocky Mountain Power's incentive-based programs:

- If the project is an elective retrofit, the baseline is existing equipment and operation.
- If the project is new construction, replacement of equipment at the end of its useful life, or an expansion, the baseline is assumed to be the energy consumption and implementation cost for a facility/system that meets any required code or is common practice for the industry.

*What are the program's minimum equipment efficiency standards and requirements?* Where applicable, certain proposed lighting, motors and HVAC equipment may be required to meet minimum efficiency standards in order to qualify for Self-Direction Credits. Please refer to the FinAnswer Express program for specific equipment eligibility requirements.

*How is the payback period determined?* The projected payback period equals the total eligible DSM project expenses divided by the projected reduction in energy and demand charges resulting from the project.

*What if the projected payback period is more than five years?* The Self-Direction Credit administrator may use an alternative eligibility criterion if the project provides system benefits and satisfies the Commission's approved cost-effectiveness tests.

*What if the projected payback period is less than one year?* The project is not eligible for Self-Direction Credits.

*What project expenses are eligible?* All actual expenses reasonably incurred by the eligible customer in connection with the construction, installation or implementation of an eligible project. Project invoices dated on or after September 23, 2003, may be eligible. Costs may include equipment costs, engineering and consulting expenses and finance charges. For new construction or expansion of existing facilities, eligible expenses are those expenses that are additional to achieve energy efficiency levels that exceed standard industry practice. Expenses are subject to Self-Direction Credit program administrator approval.

*Does the DSM project have to be at each of the meters aggregated by the customer?* No. The DSM project needs to be at one or more of the meters aggregated by the customer.

*What is the administrative fee?* The administrative fee is designed to offset the Rocky Mountain Power and program administrator costs associated with processing a project and is not considered an eligible project expense. The fee is \$500 per project, payable when a customer submits a new project to the program administrator. Customers who aggregate meters to meet eligibility requirements pay a higher fee. The administrative fee is not refundable.

Number of meters	Fee (\$)
1 – 25	500
26 – 50	1,000
51 – 75	1,500
>75	contact administrator

*What other types of credits are available?* In addition to the credit for projects described above, there is another type of credit for customers with no cost-effective DSM potential (opt-out credit).

*How does an eligible customer demonstrate it has no cost-effective DSM potential?* The customer hires an auditor retained by the program administrator. The auditor performs an energy audit of all facilities served by the meter or aggregated meters used to determine customer eligibility for the Self-Direction Credit program. If the audit demonstrates, to the satisfaction of the program administrator, there are no remaining DSM projects with a payback period of eight years or less at any of the meters used to meet the usage criteria, the customer is eligible for the 50 percent credit.

*What is the credit for customers with no cost-effective DSM potential?* Fifty percent of the customer's monthly Customer Efficiency Services charge. The credit can be taken for 24 months. After 24 months, the customer needs to re-qualify for the credit with a new energy audit.

*Can customers use old energy engineering paid for by Rocky Mountain Power as the "opt-out" study?* No.

*Can customers who have "opted-out" opt back in within the 24 months?* Yes.

## Rocky Mountain Power's other energy efficiency programs

*Can I participate in Rocky Mountain Power's other energy efficiency programs and the Self-Direction Credit program at the same time?* Yes, but not on the same project.

*What if I want to self-direct a project identified in a study paid for by Rocky Mountain Power?* If the Rocky Mountain Power-funded energy engineering work was completed more than three years ago, you can update it as needed at your expense and apply to the Self-Direction Credit program.

For energy engineering work completed within the past three years and paid for by Rocky Mountain Power, you can submit a Self-Direction Credit program application for that project or portion of the project once you have repaid Rocky Mountain Power for the prior energy engineering services. If you want to self-direct a portion of a project receiving prior energy engineering services, the repayment amount will be prorated based on energy savings. Please contact the Self-Direction Credit program administrator for eligibility and repayment terms.

*What if I am currently working with a Rocky Mountain Power Energy Efficiency Alliance participant on a lighting retrofit?* If you are working with an Alliance participant on a lighting project, you may submit a Self-Direction Credit program application for that project as long as the incentive payment has not been processed. If Rocky Mountain Power paid for an inspection for the project within the past three years, you can submit your application after you repay the costs associated with the inspection and any engineering services.

*What if I choose to participate in the Self-Direction Credit program and later decide I want to switch to the Energy FinAnswer?* You may choose to transfer a project from Self-Direct to Energy FinAnswer® provided purchase orders for eligible equipment and installation work have not been signed. Energy engineering costs you incurred to develop your project may be eligible for reimbursement by Rocky Mountain Power once the project installation is completed. Contact the Self-Direction Credit program administrator for more information.

*What if I met with a Rocky Mountain Power representative on a project in the past and I now want to implement that project?* The only Rocky Mountain Power participation that may affect DSM project eligibility for self-direction is funding for energy engineering (and incentives). You may apply for approval of that project as a Self-Direction Credit project.



*Let's turn the answers on.*