Quick Guide to the EnergyWise Custom Program

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Dominion Energy South Carolina's Custom Program offers financial incentives for cost effective site-specific energy-efficient projects not addressed by the standard prescriptive offerings. This Quick Guide is intended to provide additional clarity to customers and their trade allies' during the initial steps in developing a Custom project and to answer some of the frequent questions presented to the EnergyWise team. With all Custom projects, we encourage customers and trade allies to contact the EnergyWise team early in the process to determine the eligibility of the proposed project and to discuss their project details prior to submitting an application. All Custom projects require an official pre-approval issued from the EnergyWise team prior to purchase and installation of the proposed equipment.

Getting Started

Custom projects are considered unique, singular and distinctive. The energy impacts and costs between any two projects are always exclusive of each other. As a result, the Custom Program does not qualify or accept technologies, it only assesses individual projects. If an energy efficient measure qualifies for a rebate at one facility it should not be assumed that it will qualify for the same rebate at a different facility. For example, a Custom project may qualify for an incentive of 50% of the total project cost. In a second building, the measure may only qualify for 10% of the project cost and in a third building, that same measure may not qualify at all. This is because the existing equipment and operating conditions may be different or the timing of the project may be impacted by Dominion Energy's cost effectiveness model.

Common Questions Asked to the EnergyWise Team

The three most common questions we receive surround the potential incentive for projects. They are:

Q: How much will my incentive be?

A: Because each project is unique, we cannot determine an incentive until we receive the information required on the application form and conduct our analysis. However, retrofit projects will pay up to 50% of the total project cost, and new construction will pay up to 75% of the incremental cost between the proposed high efficiency equipment and the baseline equipment. Whole Building Solutions projects are paid on a $/kWh saved basis ranging from $.15/kWh saved to $.30/kWh saved. System Optimization (SO) projects are paid $0.10/kWh saved and Building Tune-Up (BTU) projects are paid $0.25/sf toward the assessment and improvement of conditioned space controlled by a Building Automation System. Both SO and BTU project incentives cap at 75% of total project costs.

Q: Before I go through the motions of putting together a submission, backup documentation, specification sheets, is there any way to determine up front if it's even worth going through all the effort?

A: A rough calculation of the simple payback without an incentive can provide some guidance. If the simple payback is approaching the 1.5 year minimum, there may be little potential for an incentive. If the payback is approaching the expected life of the equipment, the project is probably not cost effective. This is a high level "check". It is important to engage the EnergyWise team for guidance. Additionally, the integrity and viability of the technology itself must be evaluated by the EnergyWise team as it applies to the proposed end use.

Q: What does Dominion Energy consider a "cost-effective" project?

A: A cost-effective project is determined by an economic calculation that evaluates the value of the project's energy and peak demand savings based on our cost for producing electricity over the life of the measure compared to the cost of the savings. This is essentially a calculation of the present value of our avoided cost over the life of the measure compared to the cost to implement the energy saving measure. If the present value of the avoided cost is greater than the cost of the measure, then it is considered a cost-effective project.

Common Questions to Expect from the EnergyWise Team

1. Has the equipment already been purchased?
2. What is the status of the existing equipment?
3. How old is the existing equipment?
4. What is the expected life of the proposed equipment?
5. What is the expected cost to implement this project?

We encourage customers and their service providers to contact the EnergyWise team early in the process to discuss your project.

Preparing your Custom Project

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Our team can assist in determining the baseline for the project and ensuring all the relevant backup documentation is included in a submission package. The more complete a package is, the more streamlined the review process will be.

The most important consideration when evaluating a Custom project is establishing the appropriate base case. The base case is dependent on whether the customer is replacing existing equipment or is implementing a new construction/end of life replacement project. If the existing equipment is functioning and is not at the end of its useful life, we typically regard this as a retrofit project. Otherwise, the baseline should reflect current energy codes and federal efficiency standards. Important tips regarding baselines:

- The base case should always be based on how the building could be operating. Example: If a building's HVAC controls have the capability of time-of-day control, but that feature is not being used, the baseline assumptions must include time-of-day control.
- To be considered a retrofit project, the existing equipment must be capable of meeting current and future needs. For example, if two 200-ton chillers are being replaced with two new 275-ton chillers due to increased cooling demands in the facility, the new chillers must be compared to code compliant chillers, not the existing 200-ton chillers.
- The programmatic baseline may be different than the customer's baseline, especially concerning end of life replacements. For example, a customer will see energy savings by replacing a 20-year-old chiller with a new efficient chiller. However, from the program's perspective that chiller has surpassed its useful life, and the baseline must be a code compliant chiller.
- Whole Building Solutions projects should always use ASHRAE 90.1 2007 as the baseline when modeling the building's energy savings.

Please refer to our Baseline document for a detailed explanation of determining the baseline of a project and using that baseline to calculate the energy savings for the project at **DominionEnergy.com/ForYourBizSC**.

Once the appropriate baseline has been determined, a complete custom application package must be submitted to the EnergyWise team for review. There are two important components to this package:

1. **Energy Savings –** the energy savings between the baseline and the proposed equipment must be presented to the EnergyWise team through calculations showing all inputs, outputs and assumptions. Typical methods used for these calculations include modeling software (such as eQuest, Trane Trace, DOE2) or an "active" spreadsheet. Other methods are acceptable as long as all assumptions and formulas used are clearly stated. It is not acceptable to simply state energy savings of "xyz" kWh without backup calculations. It is also not acceptable to base energy savings on a general XX% savings estimate.
2. **Project Costs –** both the baseline costs and the proposed equipment costs must be presented. This can typically be accomplished through an itemized quote or proposal showing all equipment, material and labor. For retrofit projects, the baseline costs are $0. For new construction/major renovation/end of life projects the baseline costs for the standard efficiency, code compliant equipment must be presented in addition to the costs for the proposed energy efficient equipment.

Once the application package is submitted to the EnergyWise team, we will conduct a technical review, possibly come back to the customer or trade ally for some additional clarification and issue a decision regarding the incentive for pre-approval.

Ready to get started. Contact us.

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