

## COMMERCIAL ENERGY SERVICES POLICIES AND PROCEDURES

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### RETROFIT AND NEW CONSTRUCTION

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### P.1. BACKGROUND

NV Energy offers Commercial Energy Services, which provides financial incentives for electric energy-efficiency measures. These financial incentives are available for qualifying commercial applicants within the utility's northern and southern services territories. This document outlines the Policies and Procedures that govern the administration and applicant's participation in Commercial Energy Services Retrofit and New Construction offerings.

Funding for Commercial Energy Services is provided by NV Energy, as approved by the Public Utilities Commission of Nevada (PUCN). The pilot began in 2003, and the full offering is currently authorized through December 2018.

DNV GL is under contract with NV Energy to implement Commercial Energy Services Retrofit and New Construction offerings.

### P.2. OVERVIEW

An overview of the various offerings is summarized below. Detailed information on the actual measures and specific specifications related to each of the various offerings are contained in the applicable Application Measure Specifications (Retrofit and New Construction).

Applications and Measure Specifications for all offerings are available on the Commercial Energy Services website at <http://www.nvenergy.com/commercial>. The appropriate measure specifications (Retrofit Specifications) should be used for electrical equipment replacement and retrofit projects. The applicable measure specifications (2009 IECC or 2012 IECC) should be used for all new construction, major renovation or building addition projects.

#### *P.2.1 Retrofit Incentives*

**Prescriptive Incentives** are available for electric energy efficiency equipment upgrades and improvements including lighting, cooling, commercial kitchens/refrigeration, transformers/UPS, and miscellaneous measures. Incentives are provided for qualified equipment commonly installed in a retrofit or equipment replacement.

**Custom Incentives** are available to applicants for qualified retrofit and equipment replacement electric energy saving measures that are not included in the list of qualifying prescriptive measures.

#### *P.2.2 New Construction Incentives*

**Prescriptive Incentives** are available for electric energy efficient equipment installations, including lighting controls (day light dimming systems only), cooling, commercial kitchens, refrigeration, and other

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miscellaneous measures. Incentives are provided for qualified equipment commonly installed in a major renovation or new construction project that exceeds specified minimum efficiencies.

**Lighting Power Density Incentives** are available for facilities documenting a lighting power density that is at least 10% lower than the density required under the International Energy Conservation Code (IECC) 2009 version or that is at least 5% lower than the density required under the International Energy Conservation Code 2012 version. The code for which the building was permitted is the code that will be used for incentive determination.

**Performance-Based and Whole Building Based Incentives** are available for major renovation and new construction projects or qualifying equipment that is not included in the list of qualified prescriptive measures and is 10% better than IECC 2009 or either 5% better than IECC 2012 (depending on the code that the building was permitted under).

### P.3 EFFECTIVE DATES

Commercial Energy Services energy efficiency incentives are offered on a **first-come, first-served** basis until approved funds are exhausted or November 15<sup>th</sup>, whichever comes first. The effective dates of Commercial Energy Services and application submittal requirements are as follows:

- Commercial Energy Services incentives are available for eligible energy efficiency projects completed after January 1<sup>st</sup> and before November 15<sup>th</sup>
- Pre-notification Application forms shall be submitted to Commercial Energy Services no later than November 1<sup>st</sup>
- **All Commercial Energy Services projects shall be completed by, and Requests for Payment submitted, no later than November 15<sup>th</sup>**

### P.4 APPLICANT ELIGIBILITY

Eligibility is based on the following criteria:

- Existing or new non-residential NV Energy customers who do not receive funding for the measures installed from another NV Energy offering
- Non-customer applicants may also be eligible for an incentive when the applicant owns equipment that is located within NV Energy's service territories. Such applications will require the approval of the Commercial Energy Services Operations Manager
- For each facility that an incentive application is submitted for, at least one meter shall be on an eligible rate schedule. New Construction projects shall be metered on an eligible rate schedule once the project is complete.
- **Eligible** rate schedules are as follows:
  - Southern Territory: GS, OGS-TOU, LGS-1, OLGS-1, LGS-2, LGS-3, and LGS-X
  - Northern Territory: GS-1, GS-2, GS-2-TOU, OGS-1-TOU, OGS-2-TOU, GS-3, GS-4, IS-1, and IS-2
- **Ineligible** rate schedules are as follows:
  - Any residential rate or standby service tariff

- Churches, chapels other than marriage chapels, and other buildings used for religious worship owned and operated by some recognized religious organization or corporation that are on the Northern Territory D-1 rate are also eligible.
- Measures installed in any area of a facility that is served by a residential meter are not eligible for funding under Commercial Energy Services. However, residential energy efficiency measures may be eligible under the Utility's other efficiency offerings, and Commercial Energy Services' staff will refer applicants to the appropriate program representative when incentives are not available under Commercial Energy Services.
- Mixed use facilities where the energy end-use crosses between commercial and residential parts of the facilities may be eligible to participate on a case-by-case basis with the written approval of the Utility's Commercial Energy Services Manager. Projects in residential facilities may also be approved for custom incentives, provided there is no duplication of incentives offered under any of NV Energy's other energy efficiency offerings.

### P.5 PROJECT REQUIREMENTS

Commercial Energy Services project requirements include the following:

- Projects shall involve a capital improvement that results in a permanent reduction in electrical energy usage (kWh)
- Capital improvements must be owned, leased-to-own, or on a minimum 5-year lease
- Project savings shall result from the installation of equipment and be sustainable for a period of five years
- Projects that are covered under the Commercial Energy Services Prescriptive Incentives are NOT available for a Custom Incentive for the same measure (See Section P.2.1)
- Commercial (Retrofit) projects are eligible for incentives detailed in the Commercial Energy Services Retrofit Application
- New Construction and major renovation projects are eligible for incentives detailed in the Commercial Energy Services New Construction Application
- Projects that are **NOT** eligible for an incentive include the following:
  - Fuel switching (e.g. electric to gas)
  - Changes in operational and/or maintenance practices or simple control modifications not involving capital costs
  - On-site electricity generation
  - Projects involving gas-driven equipment in place of electric equipment (such as a chiller)
  - Projects that involve load-shifting (with no kWh savings)
  - Measures installed with funding from, or qualifying under, another utility incentive offering
- **Portfolio Energy Credits/Conservation Credits:** In return for the consideration received through Commercial Energy Services Incentives, the applicant acknowledges that the energy efficiency credits that may result from the energy efficiency measures for which the
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- incentive is paid inures to the benefit of NV Energy for compliance with the State of Nevada's renewable energy portfolio standard. Credits referenced here refer to the Portfolio Energy Credits

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authorized under the Renewable Energy Act in the Nevada Revised Statutes, chapter 704, sections 7801 through 7828 (NRS 704.7801-7828). Owners still retain ownership of environmental credits, other tax benefits, and/or other credits not specifically created under NRS 704.7801 - 7828.

- Any measures installed at a facility shall be sustainable and provide 100% of the energy benefits, as stated in the application, for a period of five (5) years or for the life of the product, whichever is less. If the applicant ceases to be a bundled, full requirements customer of NV Energy or removes the equipment or system(s) during the 5-year period, the applicant will be required to return a prorated amount of incentive funds to NV Energy. The amount to be returned will be based on the actual period of time in which the applicant provided the related energy benefits as an electric customer of NV Energy.
- Measurement and Verification (M&V) activities are a critical part of the incentive process. This process allows NV Energy to monitor the incentive activities to ensure measures are still cost effective to continue to provide funding. As a condition of participation, the customer agrees to allow NV Energy and its subcontractors to perform M&V activities that include but are not limited to; site inspections, spot measurements and the installation of data loggers for up to five (5) years after the project has been completed.
- **Minimum Acceptable Incentive Levels:**
  - Any project (Retrofit Prescriptive, Custom or New Construction) that has an estimated incentive amount of \$250 or less must be pre-approved by the Commercial Energy Services Operations Manager. Customers with incentive amounts under \$250 should first determine if they are eligible for an incentive through the Commercial Energy Services Small Business offering.
- **Contractor/Customer Compliance:**
  - Any contractor providing services to customers seeking an incentive from Commercial Energy Services shall perform its services in accordance with applicable professional standards.
  - Contractor shall comply with all applicable federal, state and local laws, ordinances, codes, and regulations in performing its services. Customers and contractors are responsible for determining if any permit(s) and/or inspections are required as a result of a Commercial Energy Services project.
  - Contractor shall ensure that all work is performed in compliance with reasonable safety and work practices and applicable federal, state and local laws, rules and regulations, including but not limited to, "Occupational Safety and Health Standards" communicated by the U.S. Secretary of Labor and the Nevada Occupational and Safety Administration as applicable. Customers and contractors are responsible for the proper disposal of all hazardous or other waste generated as a result of a Commercial Energy Services project.
  - The customer and contractor are responsible for any costs associated with compliance activities and/or fines/penalties resulting from non-compliance.

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- Contractor use of NV Energy or Commercial Energy Services branding MUST be approved in advance by NV Energy.
- **Rebate Administrators** - Consultants who have been contracted by companies (typically national organizations like grocery stores, home improvement warehouses, clothing or other retailers, etc.) to act as an administrator on their behalf for the purpose of obtaining incentives shall comply with the following in order to administer Commercial Energy Services Incentives:
  - Provide a letter of authorization from the applicant/customer (owner of facility where improvements are being made) that specifically assigns the consultant to act on their behalf. This letter must be updated annually, so no letters with a date older than 12 months prior to the applicable project will be accepted. Letters where it appears that the original letter date has been pasted over with a new date, in order to comply with this requirement, will not be accepted.
  - For projects where the administrator will receive the incentive check from Commercial Energy Services and then forward the incentive check on to the customer, the letter of authorization must explicitly state that this is the desire of the applicant/customer **for each project**.
  - For projects where the administrator will actually be paid the incentive, the administrator must submit a completed Third Party Incentive Authorization form (included in the application package) that is signed by the appropriate parties for both the customer and the administrator.

### P.6 INCENTIVE LIMITS

Incentive funds have tiered limits in order to encourage equitable distribution of the funds among utility applicants.

#### *P.6.1 Applicant Tiers*

The total incentive amount will be tiered in the following way:

- Commercial Energy Services will pay 100% of the calculated value of eligible incentives up to \$100,000 per calendar year, per applicant
- 50% of the eligible value of incentives from \$100,001 to \$500,000
- 20% of the eligible value of incentives from \$500,001 to \$1,000,000
- 10% of the eligible value of incentives above \$1,000,001

The tiered incentive limits are based on actual payments per applicant, **and also apply when payments for some or all projects applied for are being paid to one or more contractors**. For the purposes of the tier calculation, "Applicant" is defined as a business entity that is covered by a unique Federal Tax ID number.

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Limits are applied separately for retrofit projects and new construction projects. Incentive limits are also applied separately for each service territory. For example, a separate limit is available for the Southern Service Territory and the Northern Service Territory. Incentive limits are reset on an annual basis.

### ***P.6.2 Project Incentive Limits***

In addition to the tier limitations given above, incentives are limited to 50% of the total project cost to the owner, including materials, shipping, tax, and contracted labor (internal labor is only allowed as discussed in Section P.6.2.1).

#### ***P.6.2.1 Internal Labor Costs***

Internal Labor Costs can only be added to determine the total project cost for certain work that is performed. Internal labor cost limitations are as follows:

- **No internal labor costs can be used** for measures that involve simple lamp conversions, such as removal of an incandescent lamp and replacement with an alternative lamp or conversion of a T-8 lamp to a lower wattage T-8 lamp with no ballast change.
- For measures that involve significantly more than just lamp replacement or measures involving HVAC, Commercial Kitchen, Refrigeration or other non-lighting equipment being installed or replaced, the internal labor cost claimed cannot exceed 25% of the total documented project cost. If the submitted internal labor cost is greater than 25% of the total documented project cost, only 25% of the total documented project cost will be allowed.

Examples include:

- 1) Replacement of an existing fixture with another fixture or conversion of a fixture to accept another lamp type, which requires removal of the ballast and re-wiring the fixture
- 2) Conversion of lamps and ballasts from one type to another
- 3) Removal of an existing rooftop air conditioning unit and replacement with a new unit
- 4) Installation of a Variable Speed Drive (VSD) on an HVAC pump or fan
- 5) Removal and replacement of an existing refrigerator with a new refrigerator
- 6) Removal and replacement of stream traps

The 25% limit is the maximum allowed. The actual cost to be used will be based on the documentation of labor cost (hours spent and hourly rate) provided by the customer. The Commercial Energy Services team will have the final decision on whether the measure qualifies for the 25% limit. The total documented project cost that is referenced above includes materials, shipping, tax, equipment rental, external (contracted) labor or any other costs associated with the project for which the customer receives and pays an invoice.

### ***P.6.3 Application of Limits and Tiers***

Actual incentive payment will be determined by the following:

- 1) Incentive calculation
- 2) Measure limit (if applicable)

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- 3) Incentive limit – Customer incentive is limited to 50% of the total project cost of the measure equipment and labor, including delivery, applicable taxes and installation (contracted external labor, internal labor as specified in Section P.6.2.1)
- 4) Bonus offered (if applicable)
- 5) Actual customer incentive is then subject to the above tiers prior to payment

### ***P.6.4 Projects Receiving Stimulus Funds***

Projects that receive stimulus funds which do not require repayment (ARRA, etc.) may be eligible for incentives through Commercial Energy Services. The combination of the funds received from Commercial Energy Services and any stimulus funding (Grant/Incentive) may not exceed the total project cost. If use of the stimulus funds mandates the reporting of energy savings, the customer must clarify with the Federal Government that all energy savings from Commercial Energy Services can comply with the **Portfolio Energy Credits/Conservation Credits** and all other requirements listed under section P.5 above. Any project that results in double credit of energy savings are ineligible for incentives through Commercial Energy Services.

## **P.7 HOW TO APPLY**

The process of applying for an incentive through Commercial Energy Services is designed to be as simple as possible. The Commercial Energy Services staff is available during normal business hours to facilitate the application process.

A separate application is required for each specific site address for which there is a separate NV Energy electric meter.

### ***P.7.1 Pre-notification***

- **A Pre-notification Application is REQUIRED for all projects. Failure to submit a Pre-Notification Application will disqualify the project for an incentive**
- Pre-notification applications shall be submitted at least 7 days prior to project installation and do not require an applicant signature
- Pre-approval reserves funds for a specific project based on the following criteria:
  - Measures are installed within 90 days of project approval
  - Applicant has committed to commence work on the proposed measures within 30 days of project approval<sup>1</sup>
- It is the responsibility of the applicant to inform Commercial Energy Services if a project is delayed, substantially changed or cancelled
- Funds that have been pre-approved for specific applications are not transferable to other projects, facilities/campuses, and/or applicants

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<sup>1</sup> **Important note:** Commercial Energy Services reserves the right to contact the applicant after the 30-day period has expired to ensure that the project is moving forward, as well as at 60 days after reservation to ensure continued progress. The reservation may be cancelled if progress toward installation is not demonstrated.

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- A complete faxed or emailed copy of the Pre-notification application form will be accepted as a placeholder for funding
- The Pre-notification application for prescriptive measures shall include sufficient information (equipment specifications, quantities, etc.) to estimate the incentive amount
- The Pre-notification application for custom incentives shall include an estimate of the annual energy savings, as well as sufficient descriptive information, including equipment performance data, operating schedules, load profiles, assumptions and calculations and other information to support the energy savings estimates

### *P.7.2 Steps*

- **Step 1.** Verify that your project is eligible and meets the project requirements as set forth in Sections P.3 through P.5.
- **Step 2.** Obtain, Complete and Submit a Pre-notification Incentive Application. Access the appropriate Commercial Energy Services application form (Retrofit for existing buildings and New Construction for new construction or major renovation projects) on-line from the Commercial Energy Services website at [www.nvenergy.com/commercial](http://www.nvenergy.com/commercial). Complete all the required information on the application. Contractors may complete the form on behalf of applicants, but all of the applicant information and an applicant contact name must be provided. Upon pre-approval, and if funding is available, incentive funds will be reserved for up to 90 days (see Section P.7.1). A pre-inspection may be required.
- **Step 3.** Project Installation. Install the equipment or systems within 90 days
- **Step 4.** **Once the incentive measures have been completed, a Project Completion Agreement should be submitted as soon as the measures are operational.** See P7.4 Forms and P9 Documentation for a complete list of documents that must be submitted to complete the Commercial Energy Services Application process.
- **Step 5.** Obtain and complete the Project Completion Application/Final Application from the Commercial Energy Services website at [www.nveenergy.com/commercial](http://www.nveenergy.com/commercial). Be sure to update any incomplete or incorrect information from the Pre-notification application. The Project Completion Agreement and Final Application must be submitted within 30 days after project completion or by **November 15<sup>th</sup>**, whichever comes first. The Project Completion Agreement must be completed with an original applicant signature. **Contractors may not complete this form on behalf of the applicant.**
- **Step 6.** Commercial Energy Services will review the Project Completion application and the final project documentation. A post-inspection may be required for verification purposes. Incentive payments will be sent **within 4 to 6 weeks from the time that the field inspection is complete and all the necessary documentation is received and approved by NV Energy.**
- **Step 7.** Some projects will be selected for independent (separate from Commercial Energy Services) measurement and verification (M&V) purposes. For selected projects, the applicant will be contacted by a Utility representative. M&V may include obtaining logged data on individual project components.

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**Please note:** Commercial Energy Services reserves the right to conduct both pre-and post-inspections of all projects for quality control purposes.

### ***P.7.3 Discrepancies***

If it is determined that there are discrepancies from the Pre-notification Incentive Application and our on-site analysis, the applicant will be contacted by a Commercial Energy Services team member. The applicant (or contractor) will have an opportunity to dispute the inspection results. After a period of five **(5) days** without a response, the revised incentive levels will be confirmed.

### ***P.7.4 Forms***

#### ***Pre-Notification***

The Instructions & Guidelines Page (Retrofit and New Construction) provides general information on eligibility, process, incentive limits, and conditions.

The Transmittal Page (Retrofit and New Construction) provides basic applicant information and a list of what forms are being submitted.

The Project Information Page provides detailed important applicant and contractor information.

The Technology Pages provide detailed information on the specific measures or scope of work for which an incentive is requested.

#### ***Project Completion***

The Project Information Page information can be completed by copying the information from the Project Information Page that was included in the Pre-notification Application and also including any information that needs to be updated.

The Technology Page information can be copied from the Technology Page that was included in the Pre-notification Application, along with any information that needs to be updated.

The Project Completion Agreement form is the applicant's acknowledgment of the terms and conditions associated with the incentive being paid on a project. An original signature on this form must be submitted in order for an incentive to be paid.

The Third-Party Incentive Authorization form allows the applicant to authorize the payment of the incentive to go directly to a third party, such as the contractor. This form is required for payment to be issued to a party other than the applicant. A separate assignment form with an applicant's original signature is required for each Commercial Energy Services project.

### ***P.7.5 Wait-list Policy***

When the Commercial Energy Services Retrofit or New Construction project application funding requests reach the allocated levels or when NV Energy determines that no further funding reservations can be made, the Commercial Energy Services team will begin a wait-list. Projects on the wait-list will not be reserved or paid unless sufficient funding becomes available. Commercial Energy Services' management will decide if pre-inspections or other preliminary analysis will be performed on wait-listed projects on a case by case basis. **CUSTOMERS WHO PROCEED WITH A WAIT-LIST PROJECT THAT REQUIRES A PRE-INSPECTION MAY BE DISQUALIFIED OR RECEIVE A REDUCED INCENTIVE IF A PRE-INSPECTION IS NOT COMPLETED PRIOR TO WORK COMMENCING.**

When a complete application with all appropriate documentation is received, the project will be date stamped. If funding becomes available, wait-listed projects will be processed in the order received to the extent feasible, with priority given to complete projects. Projects that are complete and have all final paperwork submitted will have preference in getting processed over uncompleted projects on the wait-list. For example, completed projects with all paper work submitted would be processed in the order received as funds become available. If more funding becomes available, projects not yet complete will be ranked by order received and by expected completion date (e.g. within 1 month, within 2 months, etc.).

For projects that previously had funding reserved based on the amount applied for and then request additional funding, either because the scope changes or some other change occurs that would result in a higher calculated incentive, the additional amount of incentive funding may be placed on the wait-list. If this occurs the additional incentive amount will be paid under the same conditions as described in the previous paragraph. The original reserved funding would not be affected by this.

### ***P.7.6 Hold Policy***

When a customer indicates that a previously reserved project will not be completed within the 90-day reservation period and that they may move forward with their project in the future, a new reservation letter and approval are required when the project is ready to start. Applicants will be required to re-submit an application on the current year's application form if the project is held from one year to the next.

## **P.8 PAYMENT PROCESS**

Commercial Energy Services Retrofit project incentives will be paid based on either a per-unit incentive for the prescriptive measures or projected energy savings for custom measures. New Construction project incentives are paid based on per-unit incentives for prescriptive measures, calculated demand savings for lighting density projects or projected energy savings for performance based measures.

The Commercial Energy Services incentive **will be paid directly to the applicant OR to a designated recipient.** Please indicate the legal business name of the designated payee and the appropriate Tax ID number and status on the Project Information Page of the application. If a contractor is to be paid directly, a completed original Third Party Incentive Authorization form must be submitted.

### P.9 DOCUMENTATION

For Prescriptive projects, the following documentation must be provided to the Commercial Energy Services team. Failure to provide the documentation may result in a reduced incentive payment and will delay the payment process.

- Detailed invoices that lists specific equipment types and quantities purchased. Copies of invoices or executed purchase orders must indicate the final cost, including any discounts and itemization of the costs for equipment, labor, supplies, rentals and/or other costs. Location of business name on the invoice must be consistent with the application information. Only expenses incurred during the term of the project are eligible. Commercial Energy Services reserves the right to independently verify the project cost.
- Manufacturer's product literature (cut/specification sheets) or other certified performance data that include the specific model numbers and sizes of the equipment installed. This information must document the performance factors that are used as a basis for the incentive.
- Detailed information on the equipment location to aid the pre-and post-inspection process.

If the documented capacity or performance differs from the performance in the Pre-notification application, the incentive will be adjusted accordingly.

For Custom projects, final documentation may include the following.

- Plans or specifications for the equipment or systems that are modified
- Paid invoices or purchase orders
- Equipment cut/specification sheets or other information indicating performance over the full range of operation
- Any additional documentation deemed necessary by the Commercial Energy Services engineering staff.

Power or other operating measurements or monitoring may be required for verification of calculated energy savings prior to approval of incentive payments. See our program specification for Retrofit project, IECC 2009 and 2012 for additional guidelines.

For New Construction (NC) projects, depending on whether the measure is prescriptive or not, final documentation required will be similar to that of retrofit projects. For New Construction prescriptive measures, documentation will be the same as that described for retrofit prescriptive measures listed above. For non-prescriptive measures, documentation required will be similar to that required for retrofit custom projects listed above, as well as that described in Section P.12.

All Requests for Payment shall be fully complete with final documentation and have an original signature of the applicant and, if applicable, the designated third party recipient of the incentive. Applications shall be post marked or submitted via email by **November 15<sup>th</sup>** or incentive payment may be canceled or significantly delayed as changes for the new program year are finalized.

### P.10 RETROFIT INCENTIVES

Commercial Energy Services offers incentives for energy efficiency measures under **Prescriptive** and **Custom** Measures.

- **Prescriptive Measures** are measures for relatively standard items with generally well known impacts. Incentives are paid based on the quantity, size and efficiency of the equipment. Prescriptive measures are included in and can be applied for by using the application pages for Lighting, Cooling & Miscellaneous, Refrigeration, and Commercial Kitchen Equipment.
- **Custom Measures** include most measures that reduce electric energy usage that are not included in the prescriptive application pages. Custom measure incentives are paid based on the energy (annual kWh) savings. Incentive amounts are described in more detail below.

Measures that are covered by Commercial Energy Services Prescriptive measures are NOT eligible for an incentive as a Custom measure. **Prescriptive applications with energy savings values that are expected to exceed 750,000 kWh are subject to a pre-inspection and the actual site-specific savings will need to be calculated.** The Commercial Energy Services team will work with applicants in these instances to complete this requirement. The incentive amount, however, will still be calculated at the prescriptive rate.

#### *P.10.1 Prescriptive Incentives*

Commercial Energy Services offers Prescriptive incentives for improvements in the following categories:

- Lighting - Interior
- Lighting - LEDs
- Lighting – Exterior
- Cooling
- Commercial Kitchen/Refrigeration
- Miscellaneous
- High Efficiency Transformer/UPS

Specific details regarding available incentives for each measure are provided in the Retrofit Application and Specifications.

**NOTE:** Commercial Energy Services no longer allows a baseline of T-12 lamps and magnetic ballasts for any lighting retrofit projects. This results in the elimination of some measures previously offered, as well as the modification of other measures to a new T-8 baseline. Further details are provided in the Retrofit Application.

### ***P.10.2 Custom Incentives***

Commercial Energy Services offers Custom incentives for eligible improvements, not included under the Commercial Energy Services Prescriptive measures, that result in a reduction of electrical energy usage. The improvements shall include the following:

- Involve a capital investment
- Have savings that are sustainable for at least 5 years
- Produce a reduction in energy usage while the system provides the same basic function

Examples of Custom measures include, but are not limited to, the following:

- Water-Side Economizers
- High Intensity Discharge (HID) or fluorescent light fixture improvements not covered under the prescriptive measures and not specifically excluded
- VSDs on motors serving variable-capacity loads that are not HVAC pumps/fans or pool/spa pumps which are Prescriptive measures
- Improved Automatic Controls (time switches, sensors, etc.)
- Retro-commissioning of Existing Building Systems
- Building envelope improvements (solar screens, cool roofs etc.)
- Variable speed drives for chillers
- Components of LEED Existing Building (EB) Projects.

**As discussed in Section P.10.1, T-12 lamps are no longer allowed as a baseline in Commercial Energy Services. As a result, any custom projects that include T-12 lamps will have to use an equivalent standard T-8 fixture wattage as the baseline from which savings can be calculated. However, T-12 high output lamps are still acceptable.**

Measures that involve switching from one form of energy to another and renewable energy projects are not eligible. A simple shutdown of equipment is not eligible for an incentive.

Incentives for Custom measures are based on the electrical energy savings resulting from energy efficiency measure installation and are calculated based on the estimated first year's savings. The applicant shall provide sufficient back up descriptive information, equipment performance data, operating assumptions, measurements and calculations to support the energy savings estimates. Further information is given in Section P.11.1.

Measures that are eligible for Prescriptive incentives may **NOT** be applied for through a Commercial Energy Services Custom Application.

### **P.11 RETROFIT SPECIFICATIONS (CUSTOM ONLY)**

For specifications for Prescriptive Measures see the Retrofit Specifications at [www.nvenergy.com/commercial](http://www.nvenergy.com/commercial).

### CUSTOM

#### ***P.11.1 Custom Measures***

The Commercial Energy Services team will review each Commercial Energy Services Custom Application. These measures will be reviewed based on (but not limited to) the following criteria; energy savings, cost, reliability, and measure life. Applicants shall provide the calculations documenting the estimated electrical energy (kWh) savings. The calculations and assumptions supporting the kWh impact estimates and the resulting incentive amount are subject to Commercial Energy Services review and approval.

The Applicant shall provide sufficient information and calculations to estimate the energy impacts. The Commercial Energy Services engineers will work with applicants, installation contractor or consultant to develop a methodology and identify the information necessary to support the savings estimate. After installation, the engineer will also need to verify the savings claimed. By providing as much information as possible supporting the claimed savings, the timeframe for project approval may be reduced. This also provides an opportunity to maximize the available incentive.

Measurement and verification (M&V) activities, including power measurements or monitoring prior to and after the measure is installed may be required. M&V is used to document that the energy impacts are consistent with the pre-approved estimates. See Commercial Energy Services Specifications for more details.

The final incentive amount will be based on the final savings documented through the post-retrofit measurement review. This may be greater or less than the savings and/or incentive amount originally estimated in the Pre-notification estimate and may also be limited by available funds.

#### **P.12 NEW CONSTRUCTION INCENTIVES**

This section covers the policies and procedures for the Commercial Energy Services New Construction (NC) component. The NC component differs from the Retrofit component in that the NC offering is specifically designed for buildings that are being newly constructed or existing buildings that are undergoing major renovation or expansion. Retrofits specifically done for energy conservation should apply using the Retrofit application. The intent of the NC offering is to encourage energy efficiency in newly constructed areas or buildings at the time of construction. New Construction incentive limitations are given in Section P.6.

Incentives for the New Construction offering are available for the following three methods:

- Lighting Incentives (Prescriptive or Lighting Density as applicable)
- Prescriptive Measure Incentives (Non-lighting)
- Performance Based Incentives

The New Construction component is available for applicants that meet the requirements of Section P.4. A New Construction Project Completion Agreement should be submitted within 30 days after project completion (see Section P.7.2). A project is considered complete when the permanent electric meter is set.

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Requests received more than 30 days after project completion will be evaluated on a case by case basis and will require approval by the Commercial Energy Services Operations Manager.

Commercial Energy Services will use the applicable IECC code for New Construction baselines, based on the code under which a project is permitted. The Project Information Page in the Application has a designated field for identifying the applicable code. For projects permitted under IECC 2009, that code will define the baseline. For projects permitted under IECC 2012, that code will define the baseline.

### *P.12.1 New Construction Prescriptive Incentives*

There are prescriptive incentives in the categories of Lighting Power Density, Cooling, Miscellaneous, and Commercial Kitchen/Refrigeration. Information on the incentives and specifications is provided in the New Construction application.

#### *P.12.1.1 New Construction – Lighting Power Density Approach,*

A new construction project is eligible for an incentive based on the lighting power density, LPD (watts per square foot). To be eligible for the lighting density incentive, the total lighting wattage shall be at least 10% lower than the lighting wattage calculated under the International Energy Conservation Code (IECC) 2009 standard and at least 5% lower than the lighting wattage calculated under the International Energy Conservation Code (IECC) 2012 standard.

See New-Construction-2009 IECC Specifications or New-Construction-2012 IECC Specifications for details on wattage requirements.

A building using Lighting Power Density Approach is not eligible to use a performance based approach. Incentives will be paid **only on the square footage of the building where the lighting installation is completed and is ready for occupancy**. If a portion of a building is not complete (the final lighting installation is not complete and the space isn't ready for occupancy) then that portion is not eligible for an incentive. Portions of the building can become eligible for an incentive at the time they are completed and ready for occupancy even if this occurs in a different year from which the building was constructed and/or the meter was set.

The calculation of actual lighting density, either from Comcheck or another method, shall accompany the application.

As defined by IECC 2009, this incentive can only be applied using a Building Area Type Approach.

As defined by IECC 2012, this incentive can be applied using a Building Area Type Approach or the Space by Space Approach.

### ***P.12.2 Performance-Based Approach***

The performance-based approach offers incentives based on the annual energy savings that are calculated. The custom-based approach offers incentives for either a qualifying individual item, such as a higher efficiency chiller, or a whole building level that is not eligible for a prescriptive incentive. Documentation of savings, in the form of a building performance model or appropriate engineering algorithms, shall be provided by the applicant in order to qualify for this incentive. Guidelines for the documentation required are given in the IECC program specifications for different project types. Note that providing as much information as outlined in these guidelines will help reduce the timeframe needed for project review, as well as provide an opportunity to maximize the available incentive.

Individual items, such as a high efficiency chiller, may require excess effort relative to the project cost or the savings value, and an alternative calculation of savings may be allowed. Any measure(s) that results in a reduction in electric energy due to an improvement in system efficiency (net decrease in energy use) can be incentivized. Documentation of savings in the form of a building performance model or appropriate engineering algorithms must be provided by the applicant and must show that the annual energy consumption is at least 10% better than the IECC 2009 code minimum or at least 5% better than the IECC 2012 code minimum. The incentive rate is based on kWh savings and varies for on-peak and non-on-peak periods. The applicant shall provide sufficient back-up descriptive information, equipment performance data, operating assumptions, measurements and calculations, to support the energy savings estimates. Applications and supporting calculations will be reviewed and accepted on a case-by-case basis. The Commercial Energy Services team may require equipment monitoring after the installation is complete to verify performance claims made in the application. The Commercial Energy Services team will also work with the applicant to determine the appropriate baseline.

Measures with savings based on switching from one form of energy to another form of energy are not eligible for an incentive. Incentives are based on the electric energy savings that result from the energy efficiency measure installation and are calculated based on one year's estimated savings.

### ***P.12.3 Whole Building Approach***

The whole building approach enables the design team to consider integrated, optimized energy efficiency solutions. Incentives are offered for Whole Building Based Approach (10% Better than IECC 2009) or (5% Better than IECC 2012). The applicant shall provide the results of a building simulation model that shows the annual energy consumption is at least 10% lower than IECC 2009 or 5% lower than IECC 2012 minimum, depending on the code under which the project was permitted. The incentive is calculated at a varying rate for each kWh saved as compared to the IECC code minimum and also varies for on-peak and non on-peak periods.

See New-Construction-2009IECC-Specifications or New-Construction-2012 IECC-Specifications for details on wattage requirements.

See Section P.13.1 for requirements of the performance-based and whole building incentives.

### ***P.12.4 LEED Projects***

LEED projects that produce electric energy savings used to achieve LEED Optimized Energy Performance (OEP) points can earn incentives using the Performance Based Approach described above or if certain measures meet prescriptive requirements that approach can be used although both approaches cannot be used for the same measure.

## **P.13 NEW CONSTRUCTION SPECIFICATIONS (PERFORMANCE BASED ONLY)**

For specifications for Prescriptive Measures see the New Construction Application.

### ***P.13.1 Performance Based/Whole Building***

Along with the application, the following documentation is required for Performance Based measures that are using the Whole Building Approach or the Custom Approach:

- A narrative or list of specific energy efficient features of the building, as well as a listing that includes the energy efficient system performance in comparison with the IECC 2009 or IECC 2012 minimum system performance (depending on what code the project was permitted under).
- A description of the building schedule and major operating assumptions.
- The input and output files used for the model annotated to show the base case and where the energy efficient features are included. Industry accepted modeling tools, such as e-quest, DOE-2, Energy Plus, Trane Trace or System Analyzer, etc. can be used for building simulation purposes.
- A worksheet summarizing the results of the modeling showing annual energy savings and peak period demand savings between the high-efficiency case and the appropriate IECC code minimum.

By providing as much information as possible that supports the claimed savings, the timeframe for project approval will likely be reduced. At the discretion of the Commercial Energy Services team, post-monitoring of the equipment/systems that are part of the proposed measure(s) may be required for some projects.

## **P.14 DEFINITIONS**

**Customer:** The utility customer-of-record, who is the account holder of the building/facility of the project. The account holder/account name is the primary criteria for establishing the customer.

**Applicant:** The applicant is either the NV Energy customer or the building owner who is implementing the measures.

**Exterior Lighting Fixtures:** Fixtures located in exterior areas, such as parking garages, surface parking lots, wall packs on exterior walls or in production type areas at industrial sites where significant production occurs outside, such as at mine sites. These fixtures are grouped into two primary operating categories, 24-hour operation and 12-hour operation. The fixtures in the 24-hour operation category operate all the time and are

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usually found in parking garages that need illumination all the time. The fixtures in the 12-hour operation category are those fixtures that operate from dusk to dawn, which is approximately a 12-hour daily schedule.

**Facility/Campus:** The primary criteria for determining the extent of a facility/campus is the Utility definition of “premises”. Premises is defined as “all of the real property employed in a single integrated activity operating under one name in one or more buildings and/or locations providing: (a) such buildings and/or locations that are situated on a single unit of property or (b) such buildings and/or locations that are situated on two or more units of property which are immediately adjoining or adjacent, except for intervening public highways, streets, alleys railways or waterways.” The secondary criteria for determining the extent of a facility/campus is the Utility definition of “service location”. A service location is a “location that is (a) a single Point of Delivery, (b) Multiple points of Delivery on contiguous property or (c) multiple Points of Delivery that are treated as a single Point of Delivery for billing purposes.”

**HID:** A family of High Intensity Discharge lamp or fixture types that include metal halide, high pressure sodium, and mercury vapor.

**IECC 2009:** International Energy Conservation Code, 2009 Revision. For projects that are permitted under IECC 2009, this code will define the baseline from which energy savings can be derived from for projects. IECC 2009 replaced IECC 2006 as the applicable building code during 2011 and 2012 and is still in effect for most counties in Northern Nevada.

**IECC 2012:** International Energy Conservation Code, 2012 Revision, is based on ANSIASHRAE/IES 90.1 Version 2010. For projects that are permitted under IECC 2012, this code will define the baseline from which energy savings can be derived from for projects. IECC 2012 replaced IECC 2009 in some counties/municipalities during 2014 and 2015 in Southern Nevada.

**Incentive:** The amount to be paid to the applicant or contractor once the final project documentation has been approved and all required inspections are completed.

**Invoice:** Acceptable invoice(s) shall provide a clear description of each individual measure applied for, the quantity installed, and the associated installed unit cost of each individual measure. Additional support documents such as material, external (contracted) labor or rental equipment invoices are also highly encouraged. All invoices should indicate sales tax and shipping/freight charges (if applicable). A very detailed AIA-style Schedule of Values may also be found acceptable, provided that the line items are very detailed as to the quantities of items installed and their unit costs. Lump sum invoices that do not adequately list quantities, unit costs, etc. are not acceptable unless accompanied by a proposal or contract that does provide this information. The accompanying proposal or contract must list a project cost that matches the invoice cost.

**Non On-Peak Period:** The Non On-peak Period used to calculate the Non On-peak portion of Custom (or Performance Based for New Construction) incentives is defined as the hours each calendar year that are outside of the hours defined as being part of the “On-peak” Period defined below.

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**Northern Service Territory:** Part of the NV Energy service territory that is located in Washoe, Carson City, Douglas, Lyon, Elko, Pershing, Humboldt, Lander, Churchill, and Eureka Counties.

**On-Peak Period:** The On-Peak Period used to calculate the On-peak portion of Custom (or Performance Based for New Construction) incentives for the southern service territory is defined as the period between 1 PM and 7 PM (7 days a week) from June 1 through September 30, Pacific Daylight Time. For the northern service territory, it is defined as the period between 1 pm and 6 pm weekdays (Monday through Friday) from July 1 through September 30 and between 5 PM and 9 PM (7 days a week) from October 1 through June 30. Times are based upon Pacific Daylight Time/Pacific Standard Time.

**Portfolio Energy Credits/Conservation Credits:** In return for the incentives received through Commercial Energy Services, the applicant acknowledges that the energy efficiency credits that may result from the energy efficiency measures for which the incentive is paid inures to the benefit of NV Energy for compliance with the State of Nevada's renewable energy portfolio standard. Credits referenced here refer to the Portfolio Energy Credits authorized under the Renewable Energy Act in the Nevada Revised Statutes, chapter 704, sections 7801 through 7828 (NRS 704.7801-7828). Owners still retain ownership of environmental credits, other tax benefits or other credits not specifically created under NRS 704.7801 - 7828.

**Pre-notification:** Pre-notification is the process of informing Commercial Energy Services team of project plans for pre-approval based on applicant eligibility and project requirements by submitting a Pre-Notification Application. Pre-notification is required for all projects.

**Project Completion:** Once the Project has been completed, the Applicant is to submit a Project Completion Application/Final Application that includes the applicable Technology Form(s) and the Project Completion Agreement. The Project Completion paperwork shall include an original signature and all appropriate backup documentation, including detailed invoices.

**Small Business:** An offering designed to provide comprehensive energy efficiency upgrades to small and medium sized commercial businesses, whose consumption is less than 400,000 kWh annually, in the NV Energy service territory. This offering, formerly known as Direct Install, provides for installation of approved energy saving equipment by a program-approved service provider at substantially reduced cost to the applicant. For more information see the Commercial Energy Services Small Business Policies and Procedures. Measures installed under the Commercial Energy Services Small Business offering are not eligible for an incentive under the components described in this document for the same measure.

**Southern Service Territory:** The Southern Nevada that is services by NV Energy and is not included in the definition of Northern Service Territory (primarily Clark County).

### *P.14.1 List of Acronyms*

The following is a list, as well as meanings, of acronyms that appear throughout this document or on Commercial Energy Services Application forms.

AHRI - Air conditioning, Heating, and Refrigeration Institute

ANSI - American National Standards Institute

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ARRA - American Recovery and Reinvestment Act  
ASHRAE - American Society of Heating, Refrigeration, and Air Conditioning Engineers  
ASTM - American Society for Testing and Materials  
CEE - Consortium for Energy Efficiency  
DLC - Design Lights Consortium  
DOE - (US) Department of Energy  
EER - Energy Efficiency Ratio  
ECM - Electronically Commutated Motor  
EMC - Escalator Motor Controller  
HCFC - HydroChloroFluoroCarbon Refrigerant  
HFC - HydroFluoroCarbon Refrigerant  
HID - High Intensity Discharge Lamps  
HVAC - Heating, Ventilation, and Air Conditioning  
IECC - International Energy Conservation Code  
LEED - Leadership in Energy and Environmental Design  
M&V - Measurement and Verification  
NC - New Construction  
NRS - Nevada Revised Statutes  
NVE - NV Energy  
PSC - Permanent Split-Core Motor  
PTAC - Packaged Terminal Air Conditioner  
PTHP - Packaged Terminal Heat Pump  
PUCN - Public Utilities Commission of Nevada  
SEER - Seasonal Energy Efficiency Ratio  
SHGC - Solar Heat Gain Coefficient  
USGBC - United States Green Building Council  
VFD - Variable Frequency Drive  
VSD - Variable Speed Drive

### P.15 DISPUTE RESOLUTION

The Commercial Energy Services team takes every reasonable step to ensure a high level of satisfaction with all services offered. However, if any problems or concerns arise, we encourage you to contact the Commercial Energy Services team immediately at the Commercial Energy Services Hotline at (800) 342-6335 or via email at [commercial@nvenergy.com](mailto:commercial@nvenergy.com).

If your concern or dispute cannot be resolved via the hotline, please contact the Commercial Energy Services Operations Manager, Mr. Mark Darden, at 702-216-2727 Ext. 71913.

If the conflict or dispute cannot be resolved with the Operations Manager, please contact the NV Energy Commercial Energy Services Program Manager, Mr. Doug White, at 702-402-5420.

### P.16 TAX IMPLICATIONS

Incentives that exceed \$600 are reported to the IRS on a 1099 Form. Incentive payments may have tax implications for businesses and/or contractors who receive them. The recipient is responsible for any and all tax payments that may result from an incentive payment. Participating businesses and contractors are encouraged to consult their accountant or tax experts to determine any tax implications.

### P.17 CONTACT INFORMATION

- Toll-Free Commercial Energy Services Hotline: (800) 342-6335
- Email Address: [commercial@nvenergy.com](mailto:commercial@nvenergy.com)
- Website: <http://www.nvenergy.com/commercial/>

- Mailing Address:

Commercial Energy Services  
6655 West Sahara Ave., Suite A-214  
Las Vegas, NV 89146

- Fax: (702) 216-2729
- **NV Energy Commercial Energy Services Manager:**

Mr. Doug White  
Commercial Energy Services Program Manager  
Phone: (702) 402-5420  
Email: [dwhite@nvenergy.com](mailto:dwhite@nvenergy.com)

Commercial Energy Services is authorized by the Public Utilities Commission of Nevada. Funding for these offerings is limited and is available on a first-come, first-served basis, determined by submittal of all project completion documentation. Any exception to the policies and procedures set forth requires the written authorization of the Commercial Energy Services Manager.