

# CDR Application Instructions

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# I Introduction

Silicon Valley Power (SVP), allows the business customer to tailor projects to its individual needs. The purpose of the CDR is to encourage business customers to invest in custom energy efficient measures that enable them to reduce energy consumption. Specifically, the CDR Program provides financial incentives to help offset the additional costs of installing systems and equipment that are more energy efficient than standard industry practice.

## Application Instructions

These instructions were created to help customers successfully complete the CDR application form and the project approval process.

To obtain an application, call your SVP account representative or contact an energy specialist at (408) 615-6650. Alternatively, you can e-mail us at [savemoney@siliconvalleypower.com](mailto:savemoney@siliconvalleypower.com) or download the application from our website at [www.siliconvalleypower.com](http://www.siliconvalleypower.com).

## Who is Eligible?

All non-residential SVP customers are eligible and are encouraged to apply. The CDR, like other program incentives, must have SVP approval prior to the purchase and installation of equipment.

## What Type of Projects Qualify?

Energy efficiency-related projects that decrease electrical usage at a facility located in SVP territory may qualify. However, whether or not a particular project will be approved for a rebate is up to the sole discretion of SVP.

## What Type of Projects are Ineligible?

All projects are subject to SVP approval; projects that are ineligible include:

- Projects that are installed and completed without SVP approval.
- Equipment that is not permanently installed or can be easily removed.
- Self-generation, cogeneration, and fuel switching.
- Power factor correction equipment.
- Projects that do not save energy in a demonstrable manner.
- Projects that save energy based upon behavior (i.e. conservation) only.
- Projects that do not produce persistent energy savings.
- Projects that put additives into refrigerant.
- Projects that do not continue to produce energy savings for at least five years.
- New Construction air side economizers

In general, building automation control upgrades or installations do not qualify. If the project's energy savings are primarily or solely dependent upon automated control strategies and includes adding control enhancements to implement these strategies, please contact SVP to determine if your project will qualify. Automated control-based energy saving projects, if approved, will have SVP mandated measurement and verification requirements. If approved, SVP will provide an incentive offering for the project based upon project submitted information and SVP's risk and uncertainty analysis.

Energy efficient lighting, HVAC, and motors may qualify under this program. Measures that are eligible for the standard rebate do not qualify for the CDR program, unless they qualify for early retirement or the equipment operation baseline conditions are different from assumed standard rebate conditions. Contact SVP at (408) 615-6650 to determine if these special conditions apply to your project.

## What are the Customer Funding Limits?

Each customer is limited to receiving a maximum of \$600,000 of Public Benefit funds in a program year. This includes all incentives received through the CDR program as well as any other rebates received through other SVP programs. The Energy Innovation Program grant is excluded from this limit. SVP may require a pre-inspection of the site. Additionally, SVP will not buy the payback down to less than 1 year.

## II Application and Payment Process

### Submit Project and Measure Descriptions

The CDR Project Description must be submitted for project pre-approval, and may be required for funding.

A *Project Description* must be submitted and approved by SVP before project implementation begins. Once project approval is received from SVP, a more detailed *Measure Description* should be submitted for each project measure. Measures may be combined or listed one measure per form. Project and measure descriptions may be submitted together. Templates are available to aid with these requirements.

After receiving SVP approval on the project and measure(s) descriptions, the Customer is ready to fill out a CDR Application form. Project and measure descriptions may be sent electronically or mailed to the address below.

### Complete and Submit CDR Application

The CDR Application consists of three pages: *Customer Directed Rebate Agreement*, *Project Measures*, and *SVP Project Requirements*. The Customer Directed Rebate Agreement contains facility descriptions, contact information, and the customer signature page for the rebate agreement.

The approved project and measure descriptions described in the section above are used to fill out the Measures page. The Customer summarizes the approved measure(s) in the Energy Efficiency Measure Information portion of this application. (Sec 1 CDR Application Pg 2).

The Customer does not fill out page 3 of the CDR Application (*SVP Project Requirements*). The unsigned CDR Application should be submitted to SVP.

Mailing Address:

SVP Rebate Processing  
1601 Civic Center Drive, Suite 200  
Santa Clara, CA 95050

### SVP Application Review

Silicon Valley Power will complete the *SVP Project Requirements* page, (CDR Application Page 3), based on the approved project requirements. In Section 3, Project Measurement and Verification Requirements, SVP will summarize the Measurement & Verification (M&V) needed for the project. Additional requirements needed for rebate approval will be listed in Section 4.

Section 5, Project Timeline, includes a project deadline for a post inspection and the submittal of all required documents. The deadline will be based on customer submitted information.

SVP will return the approved application for the Customer's signature.

### Customer Signs Application

By signing the application, the Customer agrees to meet the specified deadline and all SVP requirements. If the Customer believes the deadline is not reasonable, the application should not be signed and SVP should be contacted immediately.

## II Application and Payment Process - Continued

### Post Equipment Installation:

Upon Project Completion

The Customer should:      Contact SVP to request a final inspection of the completed project.  
   Complete all activities and documentation required per the approved M&V Plan.  
   Submit project cost information (paid invoices, schedule of values, etc.) to SVP.  
   Submit Project Completion Report to SVP (see Project Description Template).

### Rebate Processing

After receiving all documentation, SVP will complete the Approved Energy Efficiency Measure Savings and Incentives table (Section 2 CDR Application Page 2), to determine the final incentive amount.

### Rebate Payment

Rebate checks are normally mailed four to six weeks after SVP submission for payment.

### Additional Information

The following sections of this document provide page-by-page instructions for completing the CDR application. As always, when further clarification is needed, please contact SVP directly for assistance.

## III Project Description and Requirements

### Customer Submitted Project Energy Efficiency Measure Information

#### Project Description

A separate Project Description is required with the application. This will support the data entered on page 2 of the application (summary table Section 1). A template is available to assist with this requirement.

The Project Description should include:

- Description of each energy efficiency measure proposed and how it will save energy;
- Energy savings calculations and a list of all assumptions; and
- Measurement and Verification (M&V) Plan

#### Estimated Annual kWh Savings

For each measure, a detailed energy savings calculation must be submitted. Calculations must be industry standard and all key assumptions must be clearly stated. Show all formulas used in the calculations. An electronic spreadsheet may be submitted, but all calculations must be readily apparent and easily followed. Energy simulation software may be used and must be clearly identified. All appropriate output and program input must be submitted with the Project Description. It is required that a narrative accompany all engineering calculations so that the approach is easily understood and the appropriateness of the calculations can be determined. SVP, at its own discretion, may use its own engineering calculations to determine energy savings for rebate incentives.

#### Measure Costs

The measure costs are defined as the incremental costs that are directly related to the installation of equipment that is more energy efficient than the standard industry practice. This may include all of the costs if the project's primary purpose is to install energy efficient equipment. The measure costs may be limited to only the additional costs incurred for purchasing higher efficiency equipment if the project includes work not directly related to the energy efficient measures. SVP reserves the right to make the final decision on a project's eligible energy efficient measure costs.

Measure costs may include design, engineering, construction, materials, permits, fees, overhead and labor. The measure costs are required for estimating the incentive limit and to provide a comparison against proof of payment invoices submitted at the end of the project. The incentive paid for the project cannot exceed 80% of the actual costs. The actual limit is determined from paid invoices submitted at the end of the project.

#### Measurement and Verification (M&V) Plan

For each measure, the Customer must develop a measurement and verification plan. SVP staff will provide customer assistance if help is needed to develop a measurement and verification plan.

Attach and submit a M&V plan to SVP for approval. Keep the plan as simple as possible. The M&V plan must include pre-project, on-site measurements that help determine the baseline energy consumption of the existing systems. Include post-project on-site measurements that help confirm the energy saved by the retrofit or measure. The rationale behind the M&V plan should be included in a narrative explaining the key aspects of the energy efficiency measure.

Final results and conclusions of the plan are to be submitted in a separate, final report. Depending upon the results presented in the final report, SVP may adjust the final rebate incentive amount to reflect actual project performance.

### **III Project Description and Requirements - Continued**

SVP will have the final decision on which M&V approach must be used. SVP may accept the submitted plan, accept it with revisions, or propose an alternative measurement and verification plan. SVP may choose to have its own staff implement the M&V plan.

The U.S. Department of Energy provides an industry standard reference known as the International Performance Measurement & Verification Protocol (IPMVP). A copy of this standard is available at [www.ipmvp.org](http://www.ipmvp.org). It is strongly recommended that the Customer consult with its contractor or engineer to help interpret the recommendations of this standard.

#### **Estimated Rebate Amount**

The incentive paid for the project cannot exceed 80% of the actual costs. This initial limit will be determined from the costs entered in the Total Measure Cost Section 1. The actual rebate limit is determined from paid invoices submitted at the end of the project.

## IV Customer Directed Rebate Agreement - (Application Page 1)

### Contact Information

Provide the primary contact name for this application. Include the primary contact's company name. This may be different than the Customer/Company Name associated with the facility.

### Customer/Facility Information

Provide the company name and street address where the proposed project will be implemented. It is possible that the name on the facility's electric bill may differ. If so, also include the name as shown on the electric bill.

### Federal Taxpayer ID Number

Provide (Customer) Federal Taxpayer ID Number. Customers may be liable for taxes on rebates received in excess of \$500. Please consult with a tax advisor.

### Make Check Payable

If the rebate is to be paid directly to a third party (e.g. the installing contractor), please provide the information requested. SVP will not issue a rebate check to a third party unless the Customer submits a payment authorization (on company letterhead) to SVP. Without this authorization, SVP will make the check payable to the Customer.

### Tax Status

Check the box next to the category that best describes the facility. Check only one.

### Building Type

Check the box that applies to the tax status of the business. Check only one.

### Square Footage and Year Constructed

Provide the square footage of the facility in the space provided. It is important to annotate the year the building was built. If an exact date is unknown, please provide an approximate vintage year.

### SVP Account

Provide the SVP account number for the specified facility.

### Customer Agreement

The CDR Agreement includes the terms and conditions required for participation in the program. These terms are non-negotiable. The Customer agrees to hold SVP harmless from any claims arising from the project; will obtain all required permits and fees; acknowledges that the written application is the only official agreement; will not discriminate against any employee; will allow SVP access to inspect the project; and has not received any other funding from SVP for this project. The Customer may be required to return a portion of the incentive if the energy efficient measure is removed or not in operation for the required five year period.

### Signature

A signature on this page signifies that the Customer has read and agrees to the stated terms and conditions as listed.

## V Customer Directed Rebate Project Measures - (Application Page 2)

A Project Description is needed to support the information entered in the summary table (Section 1). There is a template available to assist with this requirement. The Project Description should include:

- Description of each energy efficient measure proposed and how it will save energy;
- Energy saving calculations and a list of assumptions used in your energy calculations; and
- Measurement and Verification (M&V) Plan

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### **1. Customer Submitted Energy Efficiency Measure Information**

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Enter the *summary information* for each of the proposed energy saving measures to be employed:

Measure Description:	A brief description for each measure.
Annual kWh Savings:	Estimated impact on annual savings.
Demand Reduction (kW):	Enter if applicable.
Measure Type:	Refer to the bottom of application (page 2).
Incentive Level*:	Refer to the bottom of application (page 2).
Potential Rebate Per Level*:	Determined by multiplying the Incentive Level by the Annual kWh savings.
Total Measure(s) Cost:	Incremental costs that are directly related to the installation of the energy efficient equipment. Measure costs may include design, engineering, materials, construction, permits, overhead and labor. The measure costs are required for estimating the incentive limit and to provide a comparison against proof of payment invoices submitted at the end of the project.
Estimated Rebate Amount*:	The incentive paid for the project cannot exceed 80% of the actual costs. This initial limit will be determined from the costs you enter in the above section. Incentive will not buy the payback of a project below 1 year.
Total Annual kWh Savings*:	Total savings for all listed measures.
Total CO <sub>2</sub> lbs Reduction*:	Determined by multiplying <i>Total Annual kWh Savings</i> by 0.72412.

\*If the spreadsheet version of the application is used, these calculations are done automatically.

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### **2. Approved Energy Efficiency Measure Savings and Incentives**

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*This section is completed by SVP.*

Approved Annual kWh Savings are based upon SVP's review of submitted information and subject to SVP's risk analysis of the project. SVP will pay rebates based upon an annual energy savings that meet an acceptable level of risk and uncertainty (as determined by SVP). A higher perceived risk will result in a lower approved energy savings amount.

The *Approved Rebate Amount* is the project's total potential rebate. This amount is contingent upon the results of any required measurement & verification and the final inspection. Based upon the measurement & verification results, the rebate may be adjusted, either up or down. The Maximum rebate paid cannot exceed 120% of the approved rebate amount. Conversely, it is possible that no rebate will be paid if the project is determined not to save energy as intended, or it does not meet the eligibility requirements as installed.

## VI Customer Directed Rebate Application - (Application Page 3) Project Requirements

The Customer does not fill out this page.

SVP will return the reviewed application to the Customer.

In Section 3, *Project Measurement and Verification Requirements*, SVP will summarize the M&V needed for the project. Any additional requirements needed for project approval will be listed in Section 4, *Additional Requirements*, of the returned application. If these requirements are not met, SVP will not pay the rebate. Since there is a risk of forfeiting the incentive, the Customer should understand and complete all requirements.

Please note that Section 5, *Project Timeline*, includes a project deadline for submittal. If the Customer believes the deadline is not reasonable, the application should not be signed and SVP should be contacted immediately. By signing the application, the Customer agrees to meet the listed deadline.

*SVP requires that the following conditions be met in order for the project to be approved for rebate payment.*

### 3. Project Measurement and Verification Requirements

- A
- B
- C

### 4. Additional Requirements

- D
- E
- F

### 5. Project Timeline

Request for final project inspection and submittal of all required documentation must occur by: \_\_\_\_\_  
Rebate funding will be forfeited unless the above deadline is met. If you are in jeopardy of missing this deadline, contact SVP immediately.