

**Commercial Energy Solutions**

***EasySave Plus Program***

***& New Construction Program***

**Manual**

**Policies and Procedures**

The EasySave Plus and New Construction programs are administered by DNV Energy Services (DNV) on behalf of Tucson Electric Power (TEP). This program is funded by TEP customers as approved by the Arizona Corporation Commission.

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# Program Overview

Tucson Electric Power Commercial Energy Solutions programs provide incentives to non-residential customers for energy-efficient upgrades to existing and new facilities. TEP’s Commercial Energy Solutions programs are administered by DNV. This program manual contains the rules, policies and procedures that govern program administration and customer participation and is a companion document to the incentive application forms. Below are brief descriptions of the programs.

Applications for projects, in their entirety, must be submitted and completed under only one of TEP’s programs: EasySave, EasySave Plus, or New Construction. Since these programs have different requirements and incentives, the customer and contractor must jointly determine which program offers the optimum benefits.

## EasySave Plus

**Prescriptive Incentives** are available forenergy efficiency improvements to existing facilities including lighting equipment and controls, air conditioning and heat pump equipment (HVAC), motors and variable speed drives, refrigeration equipment, power management and sensors.

**Custom Incentives** are available for innovative energy efficient solutions not included in the list of qualified prescriptive measures.

## New Construction

**New Construction Incentives** are available for the incorporation ofenergy efficient products/practices in the construction of new facilities.

* **Whole Building Design** applies to projects that integrate design high performance goals and demonstrate this through energy simulation modeling. Incentives are available only for projects that are at least 10 percent more energy efficient than the baseline building standards established in ASHRAE 90.1 Standards, Appendix G. Applicants are required to implement energy simulation model software capable of performance analysis on an hourly basis. Software options include eQUEST, Trane Trace, Carrier HAP, Energy-Pro or DOE 2-based analysis software. Other simulation modeling software may be used with prior program team approval. Applicants are referred to the current program worksheet available at tepcommercialenergysolutions.com for more details.
* **The Systems Approach** is recommended for less complex projects that incorporate energy efficiency later in the design phase or if their systems are designed in different phases. The Systems Approach does not require whole-building models to be created and encourages designers to optimize the energy efficiency of individual systems within a building. Incentives are available for lighting power density, high performance glaze and HVAC (electric) upgrades. Detailed specifications and requirements can be found on the measure worksheets.

Application Forms for these programs are available online at [tepcommercialenergysolutions.com](http://www.tepcommercialenergysolutions.com). EasySave Plus projects should use a prescriptive and/or custom retrofit worksheet, as appropriate. Additionally, there are separate applications for new construction.

# Program Marketing

Marketing collateral has been developed for the TEP Commercial Energy Solutions programs and is available upon request. Trade allies are encouraged to use the marketing materials to promote the programs. Use of the TEP logo or name on trade ally developed materials is prohibited. If any materials are developed that include the program name, these materials must be approved by the TEP Commercial Energy Solutions team prior to distribution. TEP reserves the right to remove trade allies and their associated companies from the list of participating contractors if they do not comply with program policies and procedures.

# Customer Eligibility

**The EasySave Plus program** is open to non-residential customers in the TEP service area that are on eligible pricing plans including charter, private and public K-12 schools. The energy savings from installed measures must occur on a meter with one of these plans:

|  |  |
| --- | --- |
| **Pricing Plan**  | **Rate Code** |
| Small General Service Basic | TGSGS |
| Small General Service Peak Demand | TGSGSD |
| Small General Service Time-of-Use | TGSGST |
| Small General Service Demand Time-of-Use | TGSGSDT |
| Medium General ServiceMedium General Service Transition | TGMGSTGMGSC |
| Medium General Service Time-of-UseMedium General Service Time-of-Use Transition | TGMGSTTGMGSCT |
| Large General Service | TGLGS |
| Large General Service Time-of-Use | TGLGST |
| Large Power Service Time-of-Use | TILPST |
| Large Power Service Time-of-Use High Voltage | TILPSTHV |
| Traffic Signal and Street Lighting Service | TPTSL |
| Water Pumping Service | TGGSWP |

To be eligible for the Easy Save Plus program, TEP non-residential customers must replace or repair existing facilities with energy efficient equipment that meets the specifications outlined in the program.

**The New Construction program** is available to non-residential TEP customers on all pricing plans, specifically building owners, developers and designers of new commercial building projects or major renovations in existing buildings within TEP’s service area. Major renovations include substantial changes to an existing structure or the complete gutting and re-design of a building.

# Tax Implications

Applicants are responsible for any tax liability associated with the receipt of rebate payments.

* The Commercial Energy Solutions team may report your rebate as income on IRS Form 1099 unless you have indicated “corporation” or “exempt” tax status on the Project/Customer Information Application.
* Third parties (e.g. contractor) that receive incentive rebates will be issued a Form 1099 and will be responsible for any tax liability.
* A W-9 is required from third parties that receive incentive payments.
* TEP and DNV are not responsible for any taxes that may be imposed on your business as a result of your receipt of this rebate.

# Project Terms and Conditions

Program applicants must abide by all program rules detailed in this manual, the application document(s) and the Agreement Form. By signing the application Agreement Form, the applicant agrees to all rules and requirements in place on the date of signature. Customers should reference the program measure worksheets for detailed technical requirements.

**A Pre-Approval Application is required for all incentive projects.** The Pre-Approval Application for incentives must include sufficient information (equipment specifications, scope of work and incentive worksheets) to estimate an incentive amount. The pre-approval process reserves funding for a specific project for 90 days. One 30-day extension may be requested in writing with required documentation showing that the project is progressing. A longer extension may be approved depending on the scope of the project and funding availability, but it is not guaranteed. Applicants must contact the Commercial Energy Solutions team if a project is delayed, incentives increase, or the project is cancelled. Reserved funds are not transferable to other projects, facilities, campuses, trade allies and/or customers.

The Final Application along with all required documentation must be received by DNV within 60 days of project completion, the reservation end date or by December 1 of the same program year, whichever is earlier. All equipment must be installed and operational prior to submitting the Final Application. All projects must be completed and invoiced in the same program year that the Final Application is submitted.

Customers participating in TEP’s program may be recognized in promotional materials and will be contacted prior to the release of their project details. Customers may opt-out of any recognition by submitting their request in writing to the TEP Commercial Energy Solutions program.

The TEP Commercial Energy Solutions program team reserves the right to inspect all projects to verify compliance with the program rules and verify the accuracy of project documentation. This may include pre-installation and/or post-installation inspections, detailed lighting layout descriptions, metering, data collection, interviews and utility bill data analyses. The customer must allow access to records and installation sites for a period of five years after receipt of the incentive payment.

Any payment of incentive funds is contingent upon funding availability and continued approval of this program by the Arizona Corporation Commission.

### 5.1 EasySave Plus

EasySave Plus measures must include capital improvements or operational upgrades that produce energy savings due to efficiency gains. Savings must be sustainable for a period of five years or the life of the product, whichever is less, and provide the full benefit of the related energy savings to the customer and TEP. Incentives are not available for any energy efficiency equipment purchases or work conducted prior to the 2022 program start date.

* Applicants must provide documentation establishing proof of payment for the equipment installed and agree to allow the sales transaction and/or equipment installation verification by the utility, DNV or their representative.
* If the customer fails to install or removes the product(s) identified, as submitted in their Final Application, at any time before the end of the life of the product or during the five-year period after the receipt of the rebate (whichever is less), the customer shall return a prorated amount of rebate funds to TEP based on the period of time the product was not in use.
* The program is NOT meant to provide rebates for fuel switching (e.g. from electric to gas), renewables, on-site generation, or electric equipment projects (such as transformer replacements).
* All materials removed, including lamps and PCB ballasts, must be disposed of properly.
* Projects that are covered under the prescriptive rebates are generally not eligible under custom rebates. Exceptions may include instances when prescriptive measures are installed as a system with custom measures. TEP maintains sole discretion in determining when and if to employ custom rebates when prescriptive measures are installed as part of the same project.
* For custom projects, the Societal Cost Test (SCT), as calculated by the TEP Commercial Energy Solutions team, must be greater than 1.0. See Section 15-Definitions.

## 5.2 New Construction

New Constructionmeasures are treated as custom analyses and must produce energy savings due to efficiency gains over and above IECC 2012/ASHRAE Standard 90.1. Savings must be sustainable for a period of five years or the life of the product (whichever is less) and provide the full benefit of the related energy savings to the customer and TEP. Incentives are not available for any design work, energy efficiency equipment purchases, or work conducted or contracted for prior to the 2022 program start date.

* The applicant must provide documentation showing that final invoicing has been submitted and must agree to allow sales transaction and/or equipment installation verification by the utility, DNV or their representative.
* If the customer fails to install or removes any product(s) identified in their Final Application at any time before the end of the life of the product or during the five-year period after the receipt of the rebate (whichever is less), the customer shall return a prorated amount of rebate funds to TEP based on the period of time the product was not in use.
* The program **does not** provide rebates for fuel source switching (e.g. from electric to gas), renewables or electric equipment such as generators or transformers. Projects that involve peak-shifting that do not result in kWh savings also are ineligible. Please note that rebate incentives are provided for electric projects that result in energy savings.

The calculated Societal Cost Test (SCT), as calculated by the TEP Commercial Energy Solutions team, must be greater than 1.0. See Section 15-Definitions.

# Rebate Caps

Rebate caps are the maximum rebate amount that the program will pay for a given measure as well as the maximum amount paid to any given customer.

The customer is defined as the energy efficiency decision maker at an organization or firm that receives electric service from TEP. If a customer has multiple locations, program eligibility will be determined by the pricing plan of the location(s) with the highest electrical use.

Rebate funds will be attributed to a calendar year based upon availability of rebate funds and project completion date or when the Final Application is approved for payment. Provided funds remain available, Final Applications including all required documentation must be received by the Commercial Energy Solutions Program by December 1 of the current program year for funds to be attributed to that calendar year.

##  Customer Cap

Each customer may receive up to $600,000 plus 50% of any remaining eligible incentives in rebates annually for each year that the program is in effect. The annual period corresponds to the calendar year. All incentives paid through the Commercial Energy Solutions program (EasySave and EasySave Plus) will be applied toward the customer incentive cap. The program team can assist customers in determining their eligibility and risk of exceeding the annual customer cap.

TEP will, at its discretion, determine which calendar year to attribute an application's rebates. Rebate funds will be attributed to a calendar year based upon availability of rebate funds and project completion date or when the final application is approved for payment.

##  Measure Cap

There are measure caps on rebates paid relative to the incremental measure cost. Incremental measure cost is the difference in cost between installing a high-efficiency piece of equipment and lower-cost standard efficiency equipment. Data provided by the customer and typical industry base cost will be used to determine the incremental measure cost. In some cases, the full measure cost will be used, while in other cases only a portion of the full measure cost is appropriate. This will be determined upon receipt and review of the application. Direct labor costs incurred by customers are excluded from the measure.

 **EasySave Plus**

* Prescriptive measures have a maximum cap of up to 50 percent of the incremental measure cost.
* Custom measures have a maximum cap up to 50 percent of the incremental measure cost.

**New Construction**

* The cap is 50 percent of the incremental cost up to a maximum of $75,000 per project per year.

Arizona Corporation Commission Decisions No. 70403 and 70459 require that TEP consider federal, state or local tax rebates when calculating rebates. These tax rebates will reduce the incremental cost of the measure prior to applying up to a 50 percent cap for EasySave Plus and the 50 percent cap for New Construction. Since the potential value of tax rebates for businesses will depend on many customer-specific variables, TEP cannot accurately assess tax benefits for specific businesses. Therefore, TEP requires that each applicant indicate their intent to file for tax rebates and their values in the agreement section of the application.

# Types of Rebates

The TEP Commercial Energy Solutions programs offer rebates for a full range of energy efficiency measures. This section provides an overview of the type of measures and rebates available. Actual measure details including rebate levels and technical specifications are included in full detail on the program applications found at [tepcommercialenergysolutions.com](http://www.tepcommercialenergysolutions.com).

##  EasySave Plus Prescriptive Retrofit Rebates

The TEP Commercial Energy Solutions EasySave Plus program offers prescriptive rebates forenergy efficiency improvements in categories including lighting equipment and controls, air conditioning and heat pump equipment (HVAC), service to HVAC equipment, motors and variable speed drives, refrigeration equipment and air compressors. All non-residential customers with eligible pricing plans can qualify for these rebates. All applicants must review the program Application Form for detailed rebate and technical specifications before assuming any measure is included. Projects replacing inefficient equipment with more efficient equipment must demonstrate that the old equipment has been eliminated from the resale market.

##### Lighting and Controls

Detailed equipment specifications are found in the lighting specifications within the program measure worksheets.

For all lighting measures, replaced PCB ballasts and lamps must be disposed of properly. Disposal documentation may be requested by program staff.

##### HVAC

Detailed equipment specifications are found in the cooling specifications within the program measure worksheets. Cooling equipment must meet the minimum qualifying Integrated Part Load Value (IPLV), Seasonal Energy Efficiency Ratio or Energy Efficiency Ratio (SEER or EER) and applications must include product specification sheets to confirm the IPLV, SEER or EER and tonnage.

For some HVAC equipment, the total rebate is determined from two components: a minimum efficiency equipment rebate and an incremental efficiency rebate. Both components are calculated on a specified rebate amount per ton of cooling installed. To qualify for a minimum efficiency equipment rebate, the equipment must meet the minimum qualifying efficiency guidelines for the appropriate equipment size category. The additional incremental efficiency rebate may be added to provide higher rebates for equipment that exceeds the minimum qualifying efficiency for equipment in each category.Please refer to the HVAC application worksheets for rebate amounts.

##### Motors and Variable Speed Drives for Motors

Detailed specifications and requirements are found on the measure worksheets.

Rebates are available for three-phase motors ranging in size from less than 1 horsepower (HP) to greater than 200 horsepower that meet or exceed the minimum efficiency standard provided in the table in the program application. Motor rebates are calculated using the horsepower of the motor.

Rebates are also available for variable speed or frequency drives (VSD/VFD) installed on motors of 1 HP or larger and are calculated on a specified rebate amount per horsepower of the controlled motor(s). Note that a new VSD chiller installation would qualify for the cooling chiller rebate instead of the VSD rebate. TEP will verify that any VSDs installed through this program are producing energy savings.

**Refrigeration**

The specifications and eligibility requirements for each of these measures are covered on the prescriptive measure worksheet.

Eligible measures must provide for more efficient operation or reduced operation of refrigeration units. Some items reduce heat gain while others replace old in-efficient equipment with more efficient equipment, and other items reduce operation by removing excess humidity on doors.

**Additional Eligible Measures Not Referenced**

Detailed specification and requirements are found in the measure worksheets.

##  EasySave Plus Custom Rebates

The Commercial Energy Solutions program offers customized rebates for energy efficiency improvements that do not fall under the prescriptive offering, but meet the custom application criteria. Custom projects must have isolated and measurable or verifiable energy savings. Projects replacing inefficient equipment with more efficient equipment must demonstrate that the old equipment has been eliminated from the resale market. All custom measures must pass a Societal Cost Test (SCT), as defined and calculated by DNV, using energy savings and incremental measure costs provided by the customer.

Detailed equipment specifications and application requirements are listed in the custom application. The Application Form provides specific details on the measure criteria and the required support documentation and savings calculation needed to qualify for a rebate. The applicant must present a convincing case for how energy savings can be demonstrated. The Commercial Energy Solutions team is available to assist applicants with developing energy-savings estimates. Examples of custom measures include, but are not limited to:

* Improved automatic controls that are not covered under a prescriptive category
* Building envelope improvements
* Energy industrial process improvements
* Lighting power density reduction

Ineligible projects include, but are not limited to, cool roofs and electrical generation projects including renewables, fuel switching and customer-owned on-site generation. Measures that are eligible for prescriptive incentives may **not** be included on a custom rebate application.

Custom rebates are calculated using $0.06 per estimated first year kilowatt hour saved. Actual rebate payments are based on either (1) documented electrical energy (kWh) reduction or (2) an electrical energy reduction estimate approved by DNV. Under no circumstances will the rebate payment exceed 50 percent of the energy-efficiency-related project costs, which are defined as the incremental costs associated with implementing the energy-saving measures.

##  New Construction Rebates

Rebates are available to offset up to 50 percent of the incremental costs of incorporating energy efficient products/practices in a new construction project, up to a maximum of $75,000 per project per year. Rebate amounts are determined from annual energy savings and are paid at a rate of $0.06 kWh. Energy savings are determined by comparing the energy usage for a baseline IECC 2012/ASHRAE Standard 90.1 design with a design incorporating energy efficient alternatives using a building energy simulation program such as DOE – 2 or equivalent. A list of equivalent energy simulation programs is available in the application documents. Applicants will need to refer to the current program worksheet available at tepcommercialenergysolutions.com for more details.

Detailed equipment specifications and application requirements are listed in the new construction application. The Application Form provides further detail and specific measure criteria, the required support documentation, and the required savings calculation for the applicant to be eligible for an incentive.

The applicant must present a convincing case for how energy savings could be demonstrated. The Commercial Energy Solutions team is available to assist applicants with developing energy-savings estimates. Ineligible projects include, but are not limited to: cool roofs and electrical generation projects including renewables, fuel switching and customer-owned on-site generation.

# Effective Program Dates

Commercial Energy Solutions programs are offered on a **first-come, first-served** basis until program funds are fully committed and/or the program budget is depleted.

* The completion of a Pre-Notification Application is **required** for all projects. Applicants must not begin project work until they have been notified that funds have been reserved.
* All applications will be reviewed against the program rules in place at the time the application is submitted.
* Final Applications **must be submitted** within 60 days after project completion, the reservation end date or by December 1 of the program year, whichever comes first. Rebates will be paid in the same calendar year.

# Definition of Application Types

A single Application Form is utilized for both phases of the application process: Pre-Notification Application and Final Application. While identical forms are used for both, there is a drop-down option on the Customer/Project Information form that indicates each phase.

**Pre-Notification Application**

The Pre-Notification Application is an applicant’s request to reserve funding for rebates in advance of project installation. **A Pre-Notification Application is** **required for all proposed projects**. Projects are ineligible for rebate funding without the submission of a Pre-Notification Application. Please note that a pre-installation inspection is required for all de-lamping projects and as determined necessary by program staff.

The TEP Commercial Energy Solutions team will review the Pre-Notification Application and will work with the customer (or their designee) to reserve funds in a timely manner.

* For prescriptive measures, the application must include sufficient information to estimate the rebate amount. This will likely include measure quantities, equipment efficiencies and other specific project details.
* For custom measures and new construction measures, the Pre-Notification Application must include sufficient descriptive project information, equipment performance data, operating schedules, load profiles and/or other information to support the energy savings estimates.

Required supporting documentation is listed within the application documents located online at [tepcommercialenergysolutions.com](http://www.tepcommercialenergysolutions.com).

**Final Application**

The Final Application is the official request for rebate payment. Final Applications **must be submitted** within 60 days after project completion, the reservation end date, or by December 1 of the same program year, whichever is earlier. The project completion date shall be determined by the date the energy-efficient equipment becomes operational. Projects that will not be completed by December 1 of the program calendar year may be ineligible to receive funds. All applications will be reviewed against the program rules in place at the time the application is submitted.

Final Applications must include all project documentation that is specified on the Final Application Form, including copies of all itemized invoices and receipts as well as equipment specifications and technical details where mandated. Invoices must include the full cost to the customer for the project.

The Final Application also provides the customer with the opportunity to designate a third party as the recipient to receive the final rebate payment. The customer must sign and initial the Final Application in the appropriate places before rebates are paid to a third party. *An original signature from the customer and third party, if applicable, is required on the application before funds will be paid.*

# How to Apply

The application process has been streamlined to make it as simple as possible for customers. Please refer to the general process flow chart in Appendix A of this document for more information. Program applications can be found online at [tepcommercialenergysolutions.com](http://www.tepcommercialenergysolutions.com).

Program staff is available during the normal business hours of 8 a.m.-5 p.m. weekdays to assist customers with the application process. For inquiries, please contact the Commercial Energy Solutions team at 866-324-5506 or ces@tep.com.

**Step 1: Pre-Approval Application Submission and Review**

**Pre-Approval Applications are required for all projects.** Pre-Approval Applications do not guarantee project funding approval until program staff determines that project requirements are met and funds are available and reserved. Installed measures must still meet program requirements to qualify for rebates.

* Pre-Approval Applications must include sufficient project information (equipment specifications, quantities, etc.) to estimate the amount of rebate funding that should be reserved to support the project. Failure to provide this information will result in the application being cancelled.
* **The Pre-Approval Application requires a customer signature.**
* Pre-Approval Applications may be submitted by email or U.S. mail. Applicants will receive an email confirming that their application has been received and whether any additional documentation is required.
* Only after the application is reviewed and approved will incentive funds be reserved. Additional reservation details are listed in Step 2: Reservation.

A **Pre-Approval Application** reserves funds for projects that meet these requirements:

* + - * Measures are fully installed and the project is completed within 90 days of receiving a notice of reservation for project funding.
			* Work commences within 30 days of the funding reservation notification.
			* Measures are determined to be within the program requirements.

An onsite pre-inspection may be required prior to the installation of equipment. Pre-inspection will be required for all de-lamping projects.

Businesses with multiple locations in the TEP service territory may submit one application for all locations or may send applications for different projects at different times. If a project includes multiple sites, applicants must attach a list of all site addresses, corresponding account numbers, and appropriate contact information along with the signed pre-notification application. Each location will require individual measure worksheets to be completed.

Multiple copies of the measure worksheets may be submitted if additional space is needed. Please indicate whether additional pages are included when you send in your completed application. Only complete and submitted applications will be considered for reserved funding.

Applicants will be notified if additional information is needed and must respond within 10 business days or the Pre-Approval Application will be rejected. Customers who submit requested information after 10 business days will be considered a new applicant.

**Work should not commence until the applicant receives a notice of reserved funding.** **There is no guarantee that incentives will be available upon submission of a new application.**

**Step 2: Reservation**

Applicants whose projects have been approved will receive a notice of reserved funding by email along with the rebate amount reserved and the reservation expiration date. Incentive funds are reserved for 90 days from the estimated completion date. **Reservation letters do not guarantee that incentives will be provided.**

Projects must be fully completed and a Final Application submitted by the reservation expiration date or by December 1 of the same program year, whichever is earlier. Customers may submit a request in writing for a one-time 30-day extension of their funding reservation that is subject to approval by the Commercial Energy Solutions team.

Reserved funding for projects that take more than three months to complete may be cancelled and funds released. It is the customer’s responsibility to contact program staff if a project is delayed, substantially changed or canceled. Reserved funds are not transferable to other projects, facilities and/or customers.

The team may contact the customer periodically to ensure that the project is moving forward and may cancel the commitment based on the customer’s response.

While every attempt is made to accurately estimate reserved funding to support projects, actual amounts may vary and are not guaranteed. The actual rebate amount is determined by a review of the Final Application, invoices, supporting project documentation and program funding availability. Any increases in rebate amounts may not exceed 10 percent of the original reserved funding amount. See Section 12 for more information.

**Step 3: Install Equipment and Perform Project Work**

Install equipment and perform project work per specifications prior to the 90-day reservation expiration date or within 120 days if a funding reservation extension was requested and approved. Applicants must dispose of or recycle materials properly and permanently remove or disable all replaced equipment and systems.

**Step 4: Complete the Final Application**

The Final Application Form is the same document as the Pre-Approval Application Form. Complete and submit a Final Application with all required supporting documentation within 60 days after project completion, the reservation end date or by December 1 of the program year, whichever comes first.

The information required for each measure is detailed on the application worksheets. Documentation should include final invoices and must be itemized with the costs for equipment, labor, supplies and other costs. The location or business name on the invoice must be consistent with the application information. The dates on the invoices must be in the same program year the application is submitted. Only expenses incurred during the term of the program can be reimbursed.

The project invoice must provide sufficient detail for the Commercial Energy Solutions team to separate the costs of the energy efficiency measures from the costs for other services such as repairs and building code compliance. In cases where the contractor will receive the rebate payment directly, the submitted invoices must include the **full cost of the measures**, not just the portion of the project cost that the utility customer will pay. *Customer internal labor is not reimbursable.*

Customers must submit all required project documentation including, but not limited to, copies of purchase orders, statements of work, equipment specifications and paid invoices. Documents should clearly indicate equipment specifications and quantities.

Be sure to check “Final Application” in the “Application Type” section. **Do not submit a Final Application unless all work has been completed.** Program funds are limited and submission of a Final Application does not guarantee an incentive payment.

**A customer signature is required for payment**. Customers can designate a third party as the recipient for the final rebate payment. Customers must sign the Final Application and initial the agreement in the appropriate places as indicated on the application. An original signature from the customer, and third party if applicable, is required on the application before funds can be paid.

**Step 5: Project Review**

The Final Application will be reviewed to verify project eligibility and compliance, specifications and documentation. A post-inspection may be required for verification purposes prior to issuing rebate payments. Actual rebate amounts are based on the results of the post-inspection and final review.

Customers may be asked to provide additional supporting documentation as deemed necessary to ensure measure eligibility and verify that the expected energy savings will occur. Any requests for clarification or additional documentation must be provided within 10-business days of the initial request. If a response is not received, the project will be reviewed against the documentation provided or may be canceled.

**Step 6: Payment is Processed**

Rebates are processed within 4 to 6 weeks after all documentation is received, the final review is completed and a post-inspection, if required, is conducted.

TEP reserves the right to require pre- and/or post-inspections of all projects to ensure quality control. Inspections may include requests for detailed lighting layout descriptions, metering, data collection, interviews and utility bill data analyses. Applicants must provide TEP with access to their records and project sites for up to five years after receipt of rebates. All projects are subject to inspection for independent measurement and verification (M&V) purposes. If selected, the customer will be contacted by a TEP representative to schedule an onsite inspection. Measurement and verification may include obtaining logged data on individual project components.

## Special Considerations for Custom Rebate and New Construction Applications

For custom and new construction rebate requests, customers must document the estimated energy (kWh) savings, demand (kW) savings and costs as defined above. The calculations and assumptions supporting the kWh impact estimates and the resulting rebate amount are subject to TEP Commercial Energy Solutions team review and approval (including an SCT analysis).

The TEP Commercial Energy Solutions team will work with customers or their installation contractor or consultant to develop a methodology and to identify the information necessary to support the savings estimate and to verify the savings after installation. **However, the customer is required to provide project documentation to support this analysis.**

# Payment Process

TEP Commercial Energy Solutions program incentives will be paid directly to customers. The customer may designate a third-party, such as a contractor or corporate office, to receive the rebate by filling out the payment release authorization portion of application’s applicant information page. The customer must indicate the exact name of the designated payee, complete mailing address, and the appropriate tax identification number. A signed W-9 is required from the third party if they are receiving incentive payment(s).

Payments will not be made until the proper project documentation is submitted to and reviewed by the TEP Commercial Energy Solutions team. All Final Applications must be fully completed with all required final documentation provided as indicated on the application documents. Final Applications must be signed by the customer and, if applicable, a third-party payee.

# Changes to the Application or Discrepancies after Verification

If the project scope has changed or Final Application funding request differs from the Pre-Notification Application reserved funding amount, the project will be reviewed considering funding availability.

If the funding requested is higher than the funding initially reserved, any reserved funding that is associated with an approved portion of the project will be paid. The additional portion will be reviewed by the TEP Commercial Energy Solutions team. If the additional portion is approved, rebate funding is available and rebate caps have not been met, the additional incentive amount *up to and not exceeding 10 percent above the reserved funding amount* will be added to the project total for Easy Save Plus and New Construction projects. Eligible rebate funds that exceed 10 percent above the reserved funding amount will be subject to program management review and approval. Approval of funds is not guaranteed.

If rebate funding is unavailable or project funding caps have been met, additional rebate funding will be denied. If the Final Application amount is lower than the reserved funding, the approved project will be paid at the lower amount.

If there are discrepancies between the Final Application and the TEP Commercial Energy Solutions team inspection verification and/or analysis of the submitted measures that leads to a greater than 10 percent reduction in incentive, the customer will receive an email from the engineering staff detailing these differences. The customer (or contractor) may submit a dispute of the inspection results or analysis within 10 business days. The Commercial Energy Solutions team shall review the dispute and make a good faith attempt to resolve the issue. If the TEP Commercial Energy Solutions team does not receive notice of a dispute or the customer and/or contractor agree with the inspection results or analysis, the revised rebate levels will be deemed final and the rebate issued.

# Customer Satisfaction

The TEP Commercial Energy Solutions team will take every possible step to ensure a high level of satisfaction with all aspects of the program. However, if any problems or concerns should arise, we encourage you to contact the TEP Commercial Energy Solutions team immediately at 866-324-5506.

# Billing Release

All customer information is kept confidential unless TEP receives a written Letter of Authorization (LoA) from the customer to release or share their information, billing data and project details with a third-party. The following information must be included in the LoA:

* Customer name of record for each customer account
* Customer premise number for each property to be released
* Contact name for each customer account
* Contact information for each customer account (include: phone number and email address)
* Address for each account number
* Signature of customer of record
* Identification of third party to receive the information (company name, title of person and address)

# Definitions

**Applicant:** Either the customer or the customer’s representative (third-party) submitting the Pre-Notification/ Final Application.

**Customer:** For the Commercial Energy Solutions programs, the customer is defined as an individual or entity paying electric bills for one or more locations or accounts. For very large multi-function customers such as governments or universities, a customer is also defined as the decision-maker at an organization or firm that receives electric service from TEP on an approved retail rate schedule. Frequently, this is determined by tax identification number, although other factors may also be considered. If a customer has multiple locations, program eligibility will be determined by the rate of the location(s) with the highest electrical use.

**Custom Incentive:** This refers to incentives that are tied to energy savings for a specific project that does not fit under the prescriptive rebate measures. An energy savings analysis is required to receive a custom rebate.

**Energy Efficiency Ratio or Seasonal Energy Efficiency Ratio (EER/SEER):** The EER/SEER is a rating used to measure air conditioning (heat pump) efficiency in BTUH per watt. The rating is typically measured when outside air temperature is 95oF. The higher the rating, the more efficient the equipment.

**Integrated Energy Efficiency Ratio (IEER):** The IEER is a rating for commercial HVAC equipment. It is used to represent part load efficiency performance for comparing the energy consumption of similar systems. The higher the rating is, the more efficient the equipment is.

**Final Application:** Once the project has been completed, the customer is to submit a copy of the Final Application and appropriate measure worksheet(s). If a Pre-Notification Application was submitted, the Final Application should include any new or corrected information. The Final Application must include an original signature and all appropriate backup documentation, including detailed invoices.

**Incremental Cost:** Incremental measure cost is the difference between the cost of installing a high-efficiency piece of equipment and lower-cost standard equipment. The TEP Commercial Energy Solutions team will use data provided by the customer and typical industry base cost to determine the incremental measure cost. In some cases, the full measure cost will be used; in other cases, only a portion of the full measure cost is appropriate. Direct labor costs incurred by the TEP customer will not be considered as measure costs for each measure. Please contact the TEP Commercial Energy Solutions team for clarification or assistance in determining the right value.

**New Construction Incentive:** Refers to incentives that are tied to energy savings for a new building or addition. An energy savings analysis is required to receive a rebate.

**Pre-Notification**: Pre-notification is the application process of informing the TEP Commercial Energy Solutions team of your project plans for pre-approval based on customer eligibility and project requirements.

**Prescriptive Incentive:** Refers to incentives that are tied to a unit of measure other than energy savings. These measures are pre-determined and do not require any technical analysis to qualify for a rebate.

**Rebate/Incentive:** The rebate is the amount to be paid to the customer or contractor once the energy efficiency measure(s) have been installed and final project documentation has been approved. Rebate levels are determined by the project specifications and can be found by measure or type on the program Application Forms.

**Societal Cost Test (SCT):** The SCT is a metric used by the program to assess the cost-effectiveness of proposed energy efficiency expenditure from a societal perspective. The SCT is a benefit-cost test that measures the net costs of a proposed energy efficiency expenditure based on the total costs, including both the participant’s (e.g. cost of equipment and installation) and the utility's costs (e.g. non-rebate costs). The benefits for the SCT are avoided supply costs. The TEP Commercial Energy Solutions programs require that all measures that receive a custom or new construction rebate are verified to have a SCT that is greater than 1. The TEP Commercial Energy Solutions team will calculate the SCT for a proposed project using energy savings and cost information provided by the customer.

# Contact Information

Mailing Address: TEP Commercial Energy Solutions

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 Mail Stop HQE504

 Tucson, AZ 85701

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**Appendix A: General Process**

Easy Save Plus and New Construction General Process



