

**Business Energy Efficiency Rebate - Custom**

<b>Objective</b>	Encourage purchase and installation of energy efficient equipment by providing incentives to lower the cost of purchasing efficient equipment for commercial and industrial facilities.
<b>Target Market</b>	All commercial and industrial customers.
<b>Description</b>	<p>The program is designed to help commercial and industrial customers save energy through a broad range of energy efficiency options that address all major end uses and processes. Equipment that does not qualify for a standard rebate will be eligible for a custom rebate. Applications must be pre-approved by KCP&amp;L before equipment is purchased and installed and must have a Total Resource Cost Test benefit-cost ratio of at least 1.0.</p> <p>Incentives, up to 50% of the project cost, were included as:</p> <ul style="list-style-type: none"> <li>• \$0.10 per first-year-kWh saved for all incentives</li> </ul> <p>Participant rebates per program year are limited to the greater of \$500,000 per customer or two-times the customer's projected annual Demand-Side Investment Mechanism (DSIM) charge. Multiple rebate applications for different measures may be submitted. Rebates will be issued upon completion of the project.</p> <p>As a new addition for the 2016-2018 implementation cycle, combined heat and power (CHP) projects will be considered in the Business Energy Efficiency Rebate – Custom Program. KCP&amp;L and the implementation contractor will work with customers interested in CHP to determine project costs, cost-effectiveness, tax credits, and financing options. For the purposes of the analysis, the incentive payment for CHP projects is determined to be \$300 per kW of installed electric generation capacity and the \$500,000 cap criteria will be reviewed and determined on a case-by-case basis and based upon available program funding.</p>
<b>Implementation Strategy</b>	<p>KCP&amp;L will engage a third-party implementation contractor to:</p> <ul style="list-style-type: none"> <li>• Process customer applications, verify eligibility, review pre-approval applications, and process customer rebates.</li> <li>• Conduct QA/QC to verify equipment installation. Randomly inspect 10% of projects and all projects over a threshold determined by KCP&amp;L (e.g. \$10,000).</li> <li>• Provide customer service support.</li> <li>• Track program performance.</li> <li>• Periodically report progress towards program goals and opportunities for improvement.</li> </ul> <p>Key pillars of the marketing strategy will include Trade Allies and direct customer marketing, including direct mail, newspaper advertisements, email blasts, bill inserts and HVAC trade publications. Additional marketing tactics will include:</p> <ul style="list-style-type: none"> <li>• Education. Train and educate Trade Allies on the programs and how to effectively sell the program to customers.</li> <li>• Trade Associations. Businesses rely on trade associations to represent industry's best interests in lobbying, growth, and identification of business opportunities. KCP&amp;L will coordinate with specific associations to highlight suitable program offerings.</li> <li>• Highlight successfully completed projects. KCP&amp;L will select projects to display the process and benefits of the program. This type of marketing will spur the customer's competitors to improve building performance and increase business process efficiency.</li> </ul>
<b>Risk Management</b>	The key barriers are return on investment, decision timing and customer internal funding and approval processes. Many customers have internal return on investment hurdles that are quite aggressive, sometimes as short as a one year payback. Another barrier is ensuring that enough vendors are properly educated to allow them to actively engage customers by explaining the myriad benefits of efficiency improvements.
<b>Measures &amp;</b>	Incentives were set for planning purposes and may be modified to reflect market

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Date 12-14 Reporter TU  
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EO-2015-0241

<b>Incentives</b>	conditions. Incentives, up to 50% of the project cost and up to a maximum cap of \$500,000, are: <ul style="list-style-type: none"> <li>• \$0.10 per kWh saved for all Incentives</li> </ul>																												
<b>Estimated Participation</b>	<b>Estimated Incremental Participating Businesses</b> <table border="1" data-bbox="472 338 781 405"> <thead> <tr> <th>2016</th> <th>2017</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>2,000</td> <td>2,100</td> <td>2,100</td> </tr> </tbody> </table>	2016	2017	2018	2,000	2,100	2,100																						
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<b>Projected Energy &amp; Demand Savings Target</b>	A NTG ratio of 100% was applied to the energy and demand savings. The average savings per customer is a planning estimate, actual savings will vary. <b>Projected Net Savings per Customer</b> <table border="1" data-bbox="472 537 1149 604"> <thead> <tr> <th>Net kWh Savings per Customer</th> <th>Net kW Savings per Customer</th> </tr> </thead> <tbody> <tr> <td>7,155</td> <td>1.956</td> </tr> </tbody> </table> <b>Projected Net Incremental Program Savings</b> <table border="1" data-bbox="472 653 1008 747"> <thead> <tr> <th colspan="3">Net MWh Savings</th> <th colspan="3">Net MW Savings</th> </tr> <tr> <th>2016</th> <th>2017</th> <th>2018</th> <th>2016</th> <th>2017</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>14,310</td> <td>15,026</td> <td>15,026</td> <td>3.91</td> <td>4.11</td> <td>4.11</td> </tr> </tbody> </table>	Net kWh Savings per Customer	Net kW Savings per Customer	7,155	1.956	Net MWh Savings			Net MW Savings			2016	2017	2018	2016	2017	2018	14,310	15,026	15,026	3.91	4.11	4.11						
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