

## **Section 2. Program Process and Steps**

The following section provides a description of the process for participating in the Program. Each step is outlined to illustrate the expectations of the elements of the Program.

### **2.1 Project Identification/Program Introduction**

The Initial Facility Visit (V1) consists of LMSI engineers meeting with the PG&E Account Manager and the Customer's key decision makers at the facility to introduce the Program. During this visit, LMSI presents basic information about the Program to the Customer. Additionally, an Initial Walkthrough Audit (V2) facility assessment will be performed by LMSI Project Manager. This involves discussing the facility operation and equipment to get an understanding of the systems that should be evaluated for efficiency opportunities. Depending on the facility and Customer availability, the initial walk through audit may be performed on a different day.

### **2.2 Detailed Energy Efficiency Audit (Analysis) or Technical Analysis Study (Analysis)**

Prior to beginning this phase of the process, the Customer must complete and sign the Form 1, Access Agreement, as Form 1A and/or 1B. This form allows LMSI and their subcontractors access to the facility. There are two versions of this form. Form 1A Access Agreement is used for LMSI access where no monitoring equipment is installed, and Form 1B Access Agreement is used for LMSI access where monitoring equipment is installed.

An Analysis is performed at the facility with a focus on the systems identified at the initial visit. Depending on the systems involved and the nature of the tasks required to evaluate the energy efficiency potential, more than one visit may be necessary. For instance, if monitoring equipment is installed, one day is necessary to install the equipment and another day would be required to remove it. Some of the activities conducted during this facility visit include:

- Collecting nameplate data
- Reviewing schematic drawings
- Installing short-term monitoring equipment on various loads
- Collecting production data

Based on the information gathered, LMSI will complete the facility and measure-specific Analysis. This report includes all the recommended measures, associated energy savings, measure cost information, and Program incentives. The energy savings may be calculated by the LMSI engineer, a vendor, previous audit, or Industry Expert. If the vendor, previous audit, or Industry Expert calculates the savings, a due-diligence review of the calculation methodology and assumptions will be checked by LMSI to ensure that the savings estimates are reasonable.

### **2.3 Project Scope**

LMSI presents the completed Analysis and/or Studies performed at the Customer location and the Form 2 Commitment Agreement, to the Customer at the Analysis Presentation (V4) stage of the process. From that time, the Customer has 60 days to negotiate and accept (sign) Form 2. During these 60 days, LMSI will work with the Customer to assist in prioritizing the measures and defining the project scope

and time-line necessary to complete it. This stage involves identifying and completely understanding the Customer's needs. If necessary, LMSI can help develop an action plan for the Customer to implement the measures outlined.

## **2.4 Project Commitment**

Form 2 Commitment Agreement will be signed by the Customer at the Project Commitment (V5) stage of the process. This document summarizes the estimated energy and utility cost savings, incentive amount, installed measure costs and energy savings and requires LMSI to reserve incentive funds. At a minimum the Form 2 and Analysis will include:

- Description of the proposed project(s) including performance details of all equipment to be installed,
- The basis for the energy-savings to be realized from the project,
- Calculations for the incentive dollars for the project,
- Estimating assumptions,
- An itemized list of the estimated installed cost of the major project components are shown in the Analysis that is listed in Form 2 and attached to Form 2,
- Supporting documentation on how the energy-savings were derived are shown in the Analysis that is listed in Form 2 and accompanies Form 2.

The Customer's signature on Form 2 verifies that the Customer has not received incentives (not including tax credits available under the Energy Policy Act of 2005) or services for the same measure from another utility, state, or local program for the past three years, and that the Customer agrees not to apply for or receive incentives for the same measure from another utility, state, or local program.

## **2.5 Project Implementation**

This is the Construction Oversight (V6) stage of the process and the project(s) have started. LMSI will assist the Customer, if necessary, to evaluate any bids that are obtained. This review will include objectively evaluating the different equipment and process designs.

LMSI will provide the Customer with Construction Oversight during the installation of the project. With the Customer's consent, the LMSI Project Manager will monitor the installation through occasional facility visits to ensure the installation and equipment meets the standards outlined in the Form 2 and Analysis. Customer must agree to grant LMSI reasonable access for this task.

## **2.6 Project Completion**

This is the Installation Verification (V7) Stage of the process. Project installation is expected to be completed within the time period agreed to by both parties and set into the Form 2 Commitment Agreement. Customers unable to complete the project installation before the completion date shall advise LMSI by letter, fax, or email no later than 30 days prior to the scheduled completion date. Once the project is installed to the Customer's and LMSI's satisfaction, LMSI will complete and sign and submit to customer Form 3 Completion Agreement. All projects must be complete and paid by December 31, 2014.

Discontinued Projects – projects with a signed Form 2 Commitment Agreement can be discontinued and the claim to incentives forfeited because either of the following has occurred:

- 1) Customer has voluntarily notified LMSI they will not complete the project; or
- 2) Customer and LMSI agree the project cannot be completed before December 15, 2014 and no extension has been granted

In the event of a discontinued project, LMSI will notify the customer in writing that their project has been discontinued and the incentive funds associated with the project are no longer available to the customer for their project.

Once a customer indicates the project is complete, LMSI will contact the Customer to conduct a Post-Installation verification. LMSI will perform the verification by comparing the project description in the project file with a visual verification of the installed project at the customer facility. LMSI may also conduct measurements of equipment or systems to verify savings. Savings variances between the verification and the Form 2 and Analysis will be noted and a recommendation made by LMSI to approve or modify the project.

Verification Dispensation – LMSI’s verification will result in one of the following recommendations:

- 1) Approved – LMSI will sign Form 3 Completion Agreement, and begin the process to issue an incentive check to Customer
- 2) Modify – typically there are three reasons for a modification as a result of Post-Installation verification:
  - 1) Installed equipment varies from the equipment described in the Form 2 and Analysis.
  - 2) Quantity of equipment installed varies from that described in Form 2 and Analysis.
  - 3) Operation of the facility has changed since the Form 2 and Analysis was completed (e.g., facility changes from 3 shifts per day to 2 shifts per day.)

If the variances between the installed project and the Form 2 and Analysis are deemed by LMSI to result in the project producing more energy-savings than described in the Form 2 and Analysis, the Customer may be offered an additional incentive provided the program is not fully subscribed. The offer for additional incentives will be set forth in the Form 3 Completion Agreement.

If the variances between the installed project and the Form 2 and Analysis are deemed by LMSI to result in the project producing less energy-savings than described in the Form 2 and Analysis, the Customer will be given one of two options in writing:

- 1) To modify the installation and/or installation contract and/or issue a change order to modify or install additional equipment to eliminate the variance between the installed project and Form 2 and Analysis ,or
- 2) To complete and sign a Form 3 Completion Agreement with the revised Project energy-savings and revised calculated incentive amount stated and agreed to by the customer. The revised document is effective only when countersigned by LMSI’s Authorized Representative.

## **2.7 Incentive Payment Disbursement**

This is the Check Presentation visit (V8) and final stage of the process. The Incentive check is presented to the Customer by LMSI.