

Electric Standard Offer Program

Procedure No. 360-14

Standard Offer Host Facilities & Renovations

1. Purpose:

To document Public Service Electric and Gas's (PSE&G) procedure for verifying Standard Offer energy savings at Host Facilities that undergo renovations. This procedure is applicable to all Standard Offer lighting energy savings measures for Industrial and Commercial Projects. PSE&G Electric Standard Offer Program Procedure 360-6 "Addition of New Host Facilities and/or Energy Saving Measures" should be referred to for cases where building renovations result in a significant reduction in energy savings for a Project. PSE&G reserves the right to make the final determination regarding the eligibility of any additional energy savings that result from building renovations.

2. Description:

The average Standard Offer contract has a term of approximately 10 years. Over the course of a project's term, it is likely that some Host Facilities will undergo renovations. To accurately verify a Project's energy savings, it is important that the Seller notify PSE&G when renovations occur at a facility so that a Post Implementation Audit can be scheduled. Any changes to the kW reduction that occur due to renovations will be verified and documented at the Post Implementation Audit. In cases where renovations will result in the installation of additional lighting fixtures, the Seller must notify PSE&G in advance if they intend to request that the load associated with the additional fixtures be omitted from the energy savings calculations (the total load associated with all additional fixtures will automatically be included in the post baseline kW resulting in a decrease in energy savings absent prior notification to PSE&G that additional fixtures will be added). Attached are two forms that should be used when notifying PSE&G that renovation will occur at a Standard Offer Host Facility ([Point Relocation Request](#), [ESM Alteration Request](#)).

Renovated Areas:

Upon notice that a Host Facility will be renovated, PSE&G will coordinate with the Seller to schedule a Post Implementation Audit. As part of this audit, PSE&G may require that the areas that will be renovated be inspected prior to any changes being made. Once the renovations are completed, PSE&G will conclude the Post Implementation Audit by verifying the kW reduction for all renovated areas. While it is PSE&G's intent to minimize changes that have a negligible affect on energy savings, PSE&G may require that changes be made for proper record keeping. If at the conclusion of the audit PSE&G determines that specific energy savings measures are no longer applicable for Standard Offer Incentives, the baselines used for calculating energy savings will be adjusted accordingly.

After successful completion of the Post Implementation Audit all finalized reports and billing disks will be forwarded to the Seller. All future energy savings calculations

will be based on the kW reductions verified and approved at the completion of the Post Implementation Audit for the renovated areas.

Additional Fixtures:

If as a result of planned renovations, additional lighting fixtures are to be added, *it is important that the Seller notify PSE&G prior to renovations taking place.* Failure to notify PSE&G prior to the renovations being made may result in the total kW associated with all fixtures (including the additional ones) being included in the post baseline kW thereby reducing the over all energy saving for the areas. At its discretion, PSE&G may require that light levels be taken in these areas prior to renovations being made. Areas that have additional fixtures installed must be adequately represented by light level readings. PSE&G will conduct a Post Implementation Audit after all renovations have been completed (100% of the renovated areas will be inspected).

PSE&G will determine the kW reduction to be used for the energy savings calculations for the renovated areas. Post Implementation Audit reports and billing disks will be sent the Seller. Please refer to the Measurement Protocol for Commercial and Industrial Facilities, Appendix A Exhibit 7 - “Establishing kW Baseline and Cost Effectiveness Data for Renovations” for more information regarding the installation of additional fixtures.

Increases / Decreases in Energy Savings Due To Renovations:

If as a result of renovations, there is a decrease in energy savings, the Seller may calculate its Project’s performance to determine if it may be eligible to add new Host Facilities or energy savings measures to the Project (Procedure 360-006 “Addition of New Host Facilities and/or Energy Savings Measures” details the eligibility criteria on when and how energy savings measures may be added to an existing Standard Offer project).

Building renovation that result in an increase in energy savings may not be eligible for some or all of the additional kW reduction associated with the renovations. PSE&G will make a determination after the Post Implementation Audit has been completed as to what kW reduction will be used for future energy savings calculations for the renovated areas.

3. Seller Responsibilities:

The Seller is responsible for notifying PSE&G when renovations are to be made to Standard Offer Host Facilities. PSE&G has developed two forms (“Point Relocation Request”, “ESM Alteration Request”) to assist the Seller in documenting changes that occur due to renovations. The Seller will coordinate with PSE&G to arrange for a Post Implementation Audit to be scheduled. Based on the findings from the audit, the Seller will make any necessary modification to the monitoring and verification system as determined by PSE&G. The Seller will calculate future energy savings payments using the kW reductions verified at the Post Implementation Audit for the renovated areas (this information will be provided to the Seller with the Post Implementation Audit reports and billing disks).

The Seller will notify PSE&G of areas that will have additional fixtures added as part of renovations prior to any renovations being made. If necessary, the Seller will coordinate with PSE&G to have light levels taken in areas where the additional fixtures are to be added. The Seller is responsible for providing computer model/design program data that shows the number of fixtures that are required to meet the minimum light level requirement for the area. Failure to notify PSE&G of planned renovations in these areas may result in the total kW associated with all fixtures in the renovated areas being used to calculate the energy savings.

4. PSE&G Responsibilities:

Upon notification that a facility is to undergo renovations, PSE&G will schedule a Post Implementation Audit. At PSE&G's discretion, the areas will be inspected both before and after renovations occur. All renovated areas at the facility will be inspected. Fixture types, counts, and light levels will be recorded at the audit. PSE&G will inspect sensor locations and operation for all renovated areas to verify that Standard Offer monitoring requirements are met. Post Implementation Audit reports and billing disks will be sent to the Seller. All future energy savings that are submitted for the facility will be verified based on the findings of the Post Implementation Audit.

PSE&G will review submissions for additional fixtures that are to be installed as part of renovations at a facility. PSE&G, at its discretion, may determine that light levels should be taken prior to the renovations being made. PSE&G will coordinate this with the Seller. A determination will be made as to whether the associated kW of the additional fixtures can be omitted from the energy savings calculations based on the audit reports and review of computer model/design program data provided by the Seller.

5. References:

Article III Purchase Price and Payment Conditions

Section 3.05 Replacement Capacity Cost:

“While not relieving Seller of its obligation to make payment to PSE&G of Replacement Capacity Costs as provided in this Section 3.05, if Seller's Performance Factor for the respective current Calendar Year is below eighty percent (80%), Seller may add additional Host Facilities and/or cause additional Energy Savings Measures to be installed at existing Host Facilities to mitigate the imposition of Replacement Capacity Costs during any subsequent Summer Prime Period. Any such additional Host and/or Energy Savings Measures must conform to and be consistent with the specifications in the Standard Offer and the requirements of this Agreement.”

Article V Monitoring

(C) Post-Implementation Audit.

“At its discretion PSE&G may, upon reasonable notice to Seller, perform Post-Implementation Audits (so called herein) consisting of a series of on-site, detailed

inspections of the Host Facility(ies). The number of such Post-Implementation Audits shall be limited to fifteen (15) times the number of Host Facilities included in the Form 1B of Appendix A (Project Proposal). These audits shall be performed at a time mutually agreeable to PSE&G, Seller and Host Facilities. Each audit shall include, without limitation, a visual inspection of all areas and systems associated with the Project, and other measurements as specified in the Pre-Implementation Audit. PSE&G shall maintain records of meter readings and inspection results for the purpose of evaluating the effectiveness of the Project, and for computation of billing amounts.”

Measurement Protocol for Commercial and Industrial Facilities

Appendix A, Exhibit 7

“Establishing kW Baseline and Cost Effectiveness Data for Renovations”

Approved By: _____ **Date:** _____

Thirza Jacobus
Manager – Demand Side Management

Point Relocation Request

Date: _____

Number of Pages including coversheet: _____

TO: Tom Lombardini
 PSE&G
 80 Park Plaza MC-T6
 Newark, NJ 07102

FROM:

Phone 973.430.5852
Fax Phone 973.643.8067

Phone
Fax

CC: _____

Project No.:
Facility:
ESCO:
Contact:

An alteration to measures currently included in PSEG's Standard Offer Program has occurred at the referenced facility. As a result of these alterations, adjustment of the energy savings database for this facility may be necessary. Depending upon the extent of these alterations, a site visit may also be required for the verification/recording of these alterations. The following information must be supplied for our review to determine what course of action is necessary for this facility to conform to the requirements of the Standard Offer Agreement.

Reason for Changes: _____

Measure by Measure Basis: Changes to measures effect various parameters of the database. Please differentiate between monitored (M&V Points) measures and non-monitored measures.

Example:

	Old Measure	Newly Proposed
Measure ID (s):	159	165
Location:	187-METAL SHOP	185-Art Room
Type of Condition:	a, d	a
Fixt. Type:	4L4 T8 Elec. Lo	2L4 T8 Elec. Hi
No. of Fixtures:	14	15
M&V Pt # (or NA):	#6	#6
Is this a LL Location?:	No	No
OP Gp.:	A	A
Conditioned Space?	N	Y
Are Operation Hours Changed?	N	N
Comments:	None	None

ESM Alteration Request

Current Measures											
	Meas. ID's	Location	Types of Conditions	Fixture Type	No. of Fixtures	M&V Pt. # Or (NA)	Light Level Location	Op. Gp.	C/S Y/N	Op. Hrs Chnged ?	Comments
C 1											
C 2											
C 3											
C 4											
C 5											
C 6											
C 7											
C 8											
C 9											
C 10											

Approx. Tot.kW r Affected:

Newly Proposed Changes/Corrections (if applicable)

	Meas. ID's	Location	Types of Conditions Corrected	Fixture Type	No. of Fixtures	M&V Pt. # Or (NA)	Are Op Hours Changed?	Prop. Op. Gp.	C/S Y/N?	PSEG Ckmrk Appr.?	PSEG Comments
N 1											
N 2											
N 3											
N 4											
N 5											
N 6											
N 7											
N 8											
N 9											
N 10											

Date of Completion of Proposed Changes:

Key to Types of conditions affecting Old Measure:

- a.) M & V Point at this measure must be moved due to construction or renovation.
- b.) Measure details at prescribed location have been altered by construction or renovation.
- c.) Change in function of measure location has changed operating hours.
- d.) Measure location no longer exists.
- e.) Other (explain)_____

Please associated respective Current Lines (ex. C4), with a correlating New Line (ex. N4) if possible.

PLEASE SEND/ATTACH LOCATION MAP DETAILING THE MEASURE LOCATIONS INDICATED ABOVE FOR OUR REVIEW!

If additional, descriptive information lends itself to understanding the conditions particular to your facility, please include this information for our review. The information requested above is the minimum information necessary to effectively review changes to your facility. Please be as complete as possible in detailing all applicable parameters concerning your facility.