NextZero Commercial & Industrial Custom Retrofit Program	
Primary Objectives	MMWEC's NextZero Program assists Massachusetts municipal utilities in developing and delivering energy efficiency (EE) services to their commercial and industrial customers. • Help commercial and industrial business to identify and implement energy efficiency (EE) projects in existing commercial, industrial, governmental, institutional and multifamily (5+ unit) buildings. • Assist **South Hadley Electric Light Department (SHELD)** customers to reduce operating costs by incentivizing the identification and installation of EE measures.
Program Summary/Design	The retrofit program will be administered through a controlled process whereby customers submit an application to be enrolled into the program. Once the application is received, **SHELD** will work with the customer and their preferred contractors to fully define work scopes for the recommended projects including a cost effectiveness evaluation based on estimated annual energy savings. Incentives available through the **SHELD** NextZero program are based on the energy savings estimated that result from project implementation. It is the responsibility of the customer to implement the measures of their choosing, at which time **SHELD** will conduct a post installation inspection prior to issuing the incentive. Below is a detailed summary of the program that describes the entire process from the moment an application is received to final delivery of the rebate from MMWEC on behalf of **South Hadley Electric Light Department**. 1. **Application Submitted:** The appropriate business representative should complete the Commercial & Industrial NextZero Program Application Form available on the MMWEC NextZero Program website www.NextZero.org in its entirety and return it to the program administrators by any of the methods listed on the form. The application form is used to assess basic information about the function, condition, size and energy uses of the facility and its systems. It provides the applicant with the opportunity to inform **SHELD** of specific EE projects of interest. 2. **Initial Phone Consultation: SHELD's** program administrator will contact the applicant by phone to review the application and better understand the specific goals and interests of the applicant. Projects are expected to follow one of two general paths, as follows: **"Fast Track":** Applicant has identified a specific project they intend to move forward with and wishes to determine incentive eligibility through the program. **General Energy Efficiency:** Applicant is interested in gaining assistance to identify cost effective energy efficiency opportunities at their facility and subsequently determining incentive eligibility and studying measure cost effectiveness. Applicant may or may not have targeted specific projects. 3. **Project Path Determined:** a. **Specific Project "Fast Track" Path:** The applicant will be asked to provide documentation for the project(s) they are considering. If needed, **SHELD** can provide technical assistance to support the applicant. The documentation provided by the applicant will serve as the basis for **SHELD's** review. Required documentation includes but is not necessarily limited to:

Note: Details of this program, including incentive levels, are subject to change without prior notice; please contact NextZero for latest program details

Program Summary/Design Continued

✓ Description of project scope;

✓ Inventory of existing fixtures/systems being replaced;

✓ Inventory and technical specifications for proposed equipment;

✓ Project cost estimates, for labor and material separately;

✓ Additional operating information as needed to evaluate energy savings (i.e., annual run hours for lighting projects).

(i) Technical Review: **SHELD's** program administrator will prepare a technical review of the information provided which may or may not include an on-site inspection. A review letter will be provided that presents estimated energy savings, incentive eligibility, project cost effectiveness (simple payback) and the next steps. Once the review has been completed, the applicant signs and returns a **Memorandum of Understanding (MOU**) signifying their intention to proceed and ultimately proceed with project implementation.

b. **General Energy Efficiency Path**: Applicants that are unsure of specific EE projects may follow the general energy efficiency path which is designed to help identify and develop cost effective energy efficiency projects. This process begins with a Level One (scoping) audit of the facility to identify potential EE measures. A Level Two audit (optional) is the targeted study and development of measures that merit further study. A technical review is conducted after measure identification. More detailed information on each is discussed below:

i. **Level One (Scoping) Energy Audit**: After the initial phone consultation, the program administrator will coordinate a time and date to conduct a walkthrough of the facility. The walkthrough will take between 1-3 hours depending on the size and complexity of the facility and is intended solely to gain an initial understanding of how energy is utilized and to identify potentially cost-effective projects. Level one (scoping) audits include minimal engineering analysis and cost estimation. A brief letter will be issued documenting the findings and discussing the next steps. Scoping Audits require a customer co-pay of $100.

ii. **Level Two Energy Audit (Optional):** After the level one (Scoping) audit, it may be determined that certain EE measure(s) need further evaluation or an engineering study. Therefore, a level two energy audit may be warranted. Please note: **SHELD**, at their discretion, will co-fund up to **$500** for a level two audit, the customer will be responsible for funding the balance. Level two energy audits include a detailed report documenting the findings and discussing the next steps.

iii. **Technical Review**: If the business decides to move forward with any EE projects identified in the level one (Scoping) audit or level two energy audit, applicants may obtain formal vendor quotes on their own. Documentation from applicants selected vendor, including but not limited to, specification of the project scope, cost (labor & materials) is necessary for **SHELD** to complete a technical review and identify incentive eligibility. When the project information is compiled, **SHELD's** program administrator will complete a technical review of the project and if eligible, a formal incentive letter will be issued.

4. **Incentive Letter: SHELD** provides incentive letter to customer detailing measures, estimated energy savings, incentive eligibility, project cost effectiveness (simple payback), rebate award and Memorandum of Understanding (MOU).

Note: Details of this program, including incentive levels, are subject to change without prior notice; please contact NextZero for latest program details

Program Summary/Design Continued	5. **Customer Returns MOU:** The business will have 30 days to acknowledge receiving the formal incentive offer by signing and returning the MOU. **SHELD** commits funds once the signed MOU is received. The business will have 180 days to complete installation of the EE project. If the MOU is not returned within 30 days or if the EE project is not installed within 180 days of returning the MOU, committed funds will be forfeited. Businesses have the option of reapplying to the program if deadlines are missed however the availability of funds may result in a reduced commitment from **SHELD**. 6. **Customer Funds Installation of Project:** For each EE project for which **SHELD** funds have been committed, it is the responsibility of the business to fund the installation of these projects in their entirety within 180 days of returning the signed MOU. Funds committed by **SHELD** will be released to the business after a successful post installation inspection. 7. **Post Installation Inspection:** After each EE project has been installed and is operational, the business will notify the program administrator by phone or e-mail. The program administrator will schedule a post installation inspection of the facility to ensure the scope of work, as defined in the technical review, did not change. **SHELD** will also collect final invoices from the contractor who installed the project. If the final project cost or energy savings change in response to a modified scope of work, **SHELD** retains the right to reassess committed incentive amounts according to the MOU discussed in Section 5. **Rebate Issued** - A rebate in the amount listed by the formal incentive offer will be issued to the business after a successful post installation inspection.
Target Market	All non-residential customers - commercial, industrial, governmental, institutional, and multifamily (5+ units). Note that only shared systems/structures of multifamily customers are eligible to participate. Customers must be in good financial standing with **SHELD** to participate in the program.
Target End Uses	Target end uses include, but are not limited to lighting and lighting controls, motors and drives, HVAC equipment, energy management systems, compressed air, additional unique industrial processes, and site-specific custom measures that result in electric savings.
Financial Incentives**	The program features two types of financial assistance: **Measure Installation Incentives:** • Incentives are limited to *$0.16 per annual saved kWh*, and not to exceed 50% of total project costs. • Incentives are capped at a maximum of **$25,000** per customer. *Incentives from other **NextZero** Business efficiency programs are included in the customer's rebate limit.* • Incentives will not be offered if such an incentive reduces the simple payback to less than one year. **Technical Assistance:** • **SHELD** will provide a level one (scoping) audit with a customer co-pay of $100. • **SHELD** will co-fund up to 50% for further engineering study (level two energy audit), not to exceed **$500.** The customer will be responsible for funding the balance. **South Hadley Electric Light Department retains full and complete discretion over all incentives.
Delivery Mechanism	Installation of measures may be conducted by any qualified contractors selected by the customer. Energy audits and technical reviews will be conducted by a pre-selected engineering firm with whom NextZero has a standing relationship.

Note: Details of this program, including incentive levels, are subject to change without prior notice; please contact NextZero for latest program details