

# *Snohomish PUD C/I New Construction Services*

*May 23rd 2007  
BPA Brown Bag Meeting*

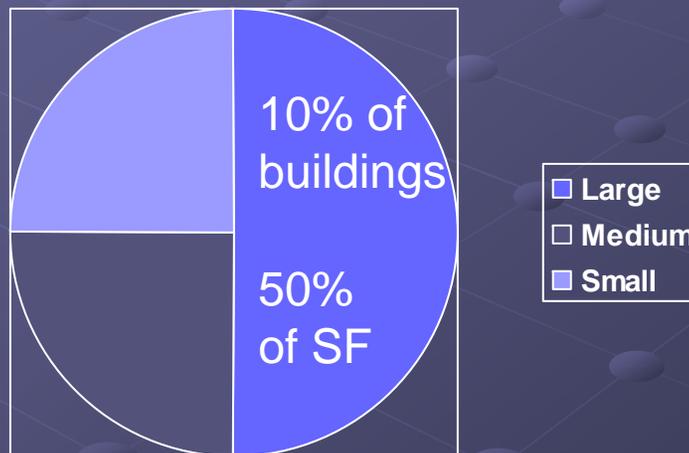


## *Why Incentives for Commercial & Industrial New Construction Energy Efficiency*

- There is significant cost-effective conservation potential in commercial new construction in Snohomish County
- Current District C&I programs focus primarily on existing building stock
- I-937 requires the District, beginning in 2010 to:
  - Pursue all cost-effective conservation
  - Establish biennial conservation targets and meet them
- The District needs to expand its new construction initiatives beyond schools in order to capture potential lost opportunity conservation resources and help meet future customer load demand and regulatory mandates

## C&I Building Permits in Snohomish County - 2004

- There are fewer large customers than small customers, but large customers account for over 50% of the square footage of floor space.
- 2004 County data shows us that out of 108 new commercial buildings permitted; just 11 of these account for 50% of the floor space. Trend expected to continue.



*Goal: Acquire all achievable cost effective conservation in new commercial and industrial facilities*

**Strategy:**

- Implement education, financial incentive and technical assistance programs to meet the needs of the various commercial new construction market segments.
- Cooperate with and support complimentary regional and national programs (ie: Energy Star; LEED; and B.P.A.)
- Work with key decision makers, architects, engineers and building officials to promote and support energy efficient design and construction
- Promote and support improvements to building codes and standards

## *Laying the foundation – C/I New Construction Offer*

- Fastest growing County in the Region / PUD load growth – twice previously anticipated levels
- Good potential for acquisition of a cost effective resource
- Developed High Efficiency schools new construction program
- Researched other new construction offers in the region

# *Initial New Construction Offer – Setting an Incentive*

- Other NW utilities paying \$.14 to \$.21/ kWh for lighting, up to \$.30 / kWh for HVAC
- Determined a variable rate based on performance
- Subject of much discussion – balance between setting a lower incentive which may not move the market or a higher one to send a clear market signal



## *Initial New Construction Offer – Principles*

- Acquire a documented resource (kW and kWh)
- Minimize transaction costs
  - Use documentation produced in new construction/code compliance process
  - Use existing PUD documentation and business processes
- Designed to be cost effective to the utility and to the participant
- Offered starting 2007



## *Initial New Construction Offer – Lighting Highlights*

- Provide incentives for lighting projects which exceed code requirements by at least 10%
- Pay a variable incentive based on relative performance compared to code at a rate of \$.15 to \$.25/kWh
- Provide incentive of \$.20/kWh for occupancy sensing and daylight harvesting systems
- Cap incentive at 50% material cost or full incremental cost (including design costs)



# Initial New Construction Offer – Custom Incentive Highlights

- Provide incentives for non-lighting projects which exceed code requirements or standard practice by at least 10%
- Pay incentive based on performance compared to code at a rate of \$.20/kWh
- Cap incentive at 50% material cost or full incremental cost (including design costs)
- Projects likely to include high efficiency HVAC, Drives, Process improvements

