Double Play: Unique Project Ideas and the Feasibility Study

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Capturing a Double Play!

Take a unique project idea and transition it to a:

1. Feasibility Study
2. Custom Project
What is a Feasibility Study?

Feasibility Studies are designed to provide data, engineering analysis, energy savings calculations and data collection for projects in preparation for incentive requests through the ActOnEnergy business program.
Considerations for Feasibility Studies

• Potential Feasibility Study projects include projects not included in the ActOnEnergy Standard Applications, such as: process improvements, new equipment upgrades, controls, and etc.

• Projects must have potential for substantial energy savings
Potential Barriers

Lack of:
- Data logging
- Staff
- Expertise
- Time
- Funds
- Payback analysis
Incentives

• Cash incentives can pay for up to 50% of the Feasibility Study cost and are capped at the lesser of:
  • $10,000.00 per study
  • 25% of the estimated annual energy savings identified in the study

• External labor must be used for the study

• Pre-approval is required
Application Process

- Submit Feasibility Study application
- Feasibility Study pre-approved
- Begin your Feasibility Study (purchase orders for study may be generated)
- Submit Feasibility Study Final Paperwork
Custom Project Application Process

- Submit Custom project
- Custom project preapproved
- Begin work on custom project(s) – Feasibility Study incentive paid at this time
- Complete custom project
- Submit Final paperwork (allow two weeks)
- Payment for custom incentive received
Is Your Project Practical?

Feasibility Study

Not sure if your energy efficiency project is financially or logistically possible? This analysis process can help your business determine the feasibility of implementing specific energy efficiency projects in your facility. Key points of the Feasibility Study include:

- Cash incentives will cover up to 50% of the study cost (capped at $10,000 or 25% of the estimated annual energy savings identified in study)
- Pre-approval required; must meet custom project eligibility criteria
- Up to 6 months to complete the study
- External labor must be used

How to Get Cash Incentives

It’s simple to get started. Download the application guide and application and you can:

Expand For More Details
Custom Projects - Eligibility and Incentives

To be eligible for incentives through the custom program projects must be:

- Pre-approved prior to any commitment to starting the project
- Energy savings equal to a payback between 1 -10 years

- Custom incentives:
  - $0.06 per kWh annually saved for custom lighting projects
  - $0.07 per kWh annually saved for all other electric custom projects
  - $1.00 per therm annually saved for natural gas projects
Example

• A customer has an energy-efficiency project in mind, but doesn’t have the staff to determine the potential savings.
• An engineering firm is contacted to determine the potential energy savings.
• Feasibility Study incentive is used to help pay for the work done by the engineering firm.
• A custom project is identified and incentive money helps to defray the project costs.
“Free” Cooling Example Details

- Preliminary calculations show a potential of 2.8 million kWhs that may be saved annually through cooling tower and heat exchanger additions.
- Cost of the Feasibility Study is $18,000 for the work done by the engineering firm.
- Feasibility Study incentive capped at 50% is $9,000
  - Capped at the lesser of $10,000 or 50% of the study cost.
- Pre-approval issued and the Feasibility Study is started.
“Free” Cooling Project Summary

The Feasibility Study Summary report concluded the following about for a potential custom project:

- Project Cost: $342,000.00
- Annual Energy savings: 2,386,000 kWhs
- Annual Energy cost savings: $114,528.00
- ActOnEnergy custom incentive: $171,000.00 (capped at 50% of project cost)
- Payback before incentive: 2.99 years
- Payback after incentive: 1.49 years
Commercial HVAC Example Details

- HVAC system at a 25,000 ft² commercial building with non-programmable thermostats and no ventilation controls
- Look into addition of programmable thermostats and demand control ventilation (DCV)
- Back-of-the envelope calculations: annual savings of 80,000 kWh and 10,000 therms ($20,000)
- Cost of the Feasibility Study: $2,500
- Feasibility Study incentive: $1,250
The Feasibility Study modeling concluded the following about for a potential custom project:

- **Project Cost**: $30,000.00
- **Annual Energy savings**: 35,000 kWhs and 700 therms
- **Annual Energy cost savings**: $3,500.00
- **ActOnEnergy custom incentive**: $3,150.00
- **Payback before incentive**: 8.6 years
- **Payback after incentive**: 7.7 years

Note that Feasibility Study incentive ended up capped at 25% of the energy savings ($798 vs. $1,250)
Examples of Feasibility Studies not funded by ActOnEnergy

- $5 million geothermal project at a facility that only uses $200,000 in energy on an annual basis
- LED Lighting study (Standard measure)
- Whole building energy audit
- Power conditioning
- VFDs on constant torque equipment (conveyor belt)
- Solar panel study
Feasibility Study Application

PAGE ONE
- Company information

PAGE TWO - Customer Commitment Form
- Estimated Energy Savings
- Incentive calculations

PAGE THREE:
- Project description
Feasibility - Incentive Payment Request

• Submit the completed Incentive Payment Request form to request the Feasibility Study incentive payment.

• When documentation is received indicating you have started your custom project, your Feasibility Study incentive payment will be released.
Eligibility Criteria for Custom Projects

• Must be an eligible Ameren Illinois customer
• Project must have a payback between one and ten years, before and after incentive
• Pre-approval must be issued prior to any commitment of beginning the project
• Incentive must be no less than 10% nor more than 50% of project cost
Custom Project Application

- Begin by entering customer information and general project information
- Enter Project Calculations
  - Input existing or baseline equipment energy use
  - Input proposed new energy efficient equipment proposed energy use
- Use the projected energy savings to calculate the electric and/or gas incentives.
Custom Application for Submittal

- Complete the Required Documentation Checklist and Customer Acknowledgement page
- Projects with incentive requests greater than $25,000 require a completed Large Incentive Request Form (LIRF statement)
- Submit your application with all supporting documentation and calculations to ActOnEnergy
  - Project summary
  - Equipment list and specs
  - Calculations, case studies, and/or metered data
  - Quote(s)
Recap:

- The Ameren Illinois Feasibility Study and application
- The Ameren Illinois Custom Project and application
- Reviewed case studies that utilized the Feasibility Study program to quantify a custom project
- Do you have a project that needs a little assistance?

- Are you ready to play ball and get that.....

Double Play?
Possible Projects

- Compressed Air Upgrades
  - Equipment
  - Controls
  - Storage
- Boiler Upgrades
- Chiller Optimization
- Sequencing Equipment
- Process Improvements
- Building Automation Systems
QUESTIONS?

www.ActOnEnergy.com
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