



## Commercial and Industrial Energy Efficiency Compressed Air Systems

### Program Description

Our **Commercial and Industrial Energy Efficiency Program** is part of LES' Sustainable Energy Program. Customers taking advantage of this program will **save money, help reduce the need for more expensive energy** during peak periods of the year and ultimately **help delay the necessity to build additional, high-cost power plants**.

The **Compressed Air Systems Program** is aimed at reducing the energy use associated with producing compressed air. This may involve retrofitting the system or replacing it entirely.

### Application Process

- Before beginning a project, submit an online **Pre-authorization Form** to request funds for your project. LES will notify you regarding the availability of funds and, if funds are available, will provide you with a confirmation number.
- **Within 90 days following pre-authorization**, submit a **Reimbursement Form**, and a copy of the sales receipt itemizing the energy efficiency measures that were implemented along with their costs and vendor's name.
- Please allow two to four weeks to receive reimbursement. Submitting forms with incomplete information will delay payment processing.
- An extension is never guaranteed.
  - Consideration of an extension is at the discretion of LES staff
  - LES will perform an inspection to verify the project is at least 50% complete and can be completed if we add an extension. If we feel it cannot or will not be completed, we will not add an extension.

**If a project expires, it can never be re-submitted (now or anytime in the future).**

### SEP Incentive Calculation Formula

- The new air compressor must be a variable speed unit replacing a fixed speed unit.
- Only new non-portable air compressors can qualify.
- For a project that only includes a new compressor, the incentive is based on the horsepower of the new compressor.
  - \$50 per horsepower for 5 HP up to (not including) 25 HP compressors.
  - \$75 per horsepower for 25 HP and larger compressors.
- For a project that only includes a new compressor, the participant must initially provide LES with a manufacturer's specification sheet for the new unit. This will be used in determining an incentive.
- An incentive for a compressed air system replacement, upgrade or retrofit (possibly including new compressor, dryer and/or, storage) will be calculated by LES staff.
- For a system replacement, upgrade or retrofit, the program participant must initially provide LES with a compressed air system study and specification sheet for each new component. This will be used in determining an incentive.
- ALL connected compressed air system equipment will be considered in determining projected peak demand reduction.
- Removing or downsizing equipment does not qualify.
- The incentive cannot exceed 50% of the project cost.

- Maximum combined incentive of \$100,000 per customer per year for all projects that fall under the Commercial Industrial Energy Efficiency portion of the Sustainable Energy Program.
- LES system peak demand occurs June-September, Monday through Friday, 2-8 p.m.

### Program Guidelines

- Incentives require preauthorization by LES before proceeding with the project.
- An extension is never guaranteed.
  - Consideration of an extension is at the discretion of LES staff
  - LES will perform an inspection to verify the project is at least 50% complete and can be completed if we add an extension. If we feel it cannot or will not be completed, we will not add an extension.
- LES **may** require a compressed air system audit performed by a qualified 3<sup>rd</sup> party (which can be a vendor, a licensed engineer, or an independent energy auditor). Audit report must provide a technical assessment of leaks, air end uses, waste, recommended efficiency measures and potential energy savings.
- Compressed air system audits can no longer qualify for an incentive.
- Examples of eligible measures include: New variable speed compressors, added or “boosted” air storage, compressor staging controls, high efficiency air dryers.
- For the sake of calculating the SEP incentive, all connected equipment that is present after the project is complete will be considered as part of the “post project” load.
- The system must operate a minimum of 1500 hours annually.
- To be eligible, you must repair at least 50% of the air loss due to leaks and/waste as identified in your compressed air system audit report. You may make the repairs yourself, use your preferred contractor, or use the service provider who conducted the assessment (**repair costs themselves are not eligible for rebates**).
- LES reserves the right to conduct pre and post inspections.
- The Reimbursement Form must be accompanied by a proof of purchase that lists the efficiency measures that were implemented along with their costs. Equipment specification sheets must also be submitted with the reimbursement request.
- **If a project expires, it can never be re-submitted (now or anytime in the future).**
- LES is making this program available for the benefit of its customers and the program is in no way intended to create a property right or interest in any participating contractor, seller or other third-party.
- All authorizations under the program are based upon compliance with Program Guidelines within the sole discretion of LES.
- Refer to the “**Commercial and Industrial Energy Efficiency – General Terms and Conditions**” for more information pertaining to this portion of the program.