



HIGH PERFORMANCE
NEW CONSTRUCTION

High Performance New Construction Program Custom Project Application Guidelines

Program Objective and Scope:

The objective of this program is to reduce peak electric demand in new building design and construction. The Program will establish financial incentives for qualifying applicants and their qualifying design decision-maker (architect, consulting engineer, etc.) in order to encourage the implementation of energy efficient construction and major renovation projects.

Eligible Applicants:

To be eligible to apply to this program, the following conditions must be met:

- (1) The applicant building site must be within the province of Ontario (excluding area code 416).
- (2) The applicant can only apply if the building is a new structure; a new addition to an existing structure; a major renovation that converts the building to another use; or a renovation project which results in the building being unoccupiable for a minimum of thirty days and in the replacement of at least two building systems.
- (3) The building must conform to part 3 of the Ontario Building Code (OBC) 2006 and be intended for commercial, institutional, or multi-residential occupancy.
- (4) The project savings must come from the design of a more energy efficient building and building systems and cannot be the result of an electrical (fuel) substitution (unless incorporating a defined Alternative Energy Measure for Space Cooling).
- (5) An applicant must be an owner or developer of a qualified project and owning any equipment in respect of which a financial incentive is claimed.

Eligible Design Decision-Makers:

Design decision-maker means the person designing and/or influencing the energy efficiency measures of the new building being applied for by the applicant under the custom program. The design decision-maker may be the project architect, consulting engineer, environmental engineer, etc. The design decision-maker is chosen by the Applicant.

Process and Forms:

The High Performance New Construction (HPNC) Program is made up of two project streams:

Custom Projects – Means new construction in which one or more energy efficient measures are installed and kW savings are determined by one of the approved modelling softwares including EE4, eQUEST or DOE-2

Or

Prescriptive Projects – Means new construction in which one or more prescriptive measures are installed and kW savings are determined by use of the worksheets

Application Documents:

The project application is the same for both custom and prescriptive projects. Please refer to the prescriptive project application guideline and the appropriate prescriptive project worksheet(s) for prescriptive projects. Applicants may not apply for both custom and prescriptive incentives for the same new construction building location, with the exception of non-electric space cooling (see Alternative Energy Measures for Space Cooling prescriptive list) and energy efficient appliances in a custom multi-residential building (see Multi-Residential In-Suite Appliance prescriptive list).

Please monitor our website www.hpnc.ca for more information and program updates. All program documents and forms can be downloaded from the website.

This guideline addresses the custom projects option only.

In addition to this guideline there are four application documents. They are:

(1) Project Application

(2) Results Summary Report

The HPNC Program Results Summary Report is an Excel spreadsheet that must be used to provide information on the project including the energy savings results from the simulation.

(3) Simulation Summary Report

The Simulation Summary Report is a word document that provides a summary of what was done in the simulation file so the project can be easily evaluated.

(4) Energy and Demand Savings Summary

The Energy and Demand Savings Summary is an Excel spreadsheet that provides the hourly baseline and projected consumption data in kW/h for the proposed building. Template found at www.hpnc.ca.

This information will be used to help calculate the incentives for the project.

Also to be included with the application are the following supporting documentation.

- Mechanical zoning diagram (either clearly marked up floor plans or a separate small scale floor plan)
- A complete set of architectural, mechanical and electrical specifications and drawings
- Working EE4, eQUEST, or DOE-2 file
- Documented fraction of outside air on return air systems
- Documentation to support base project cost and energy efficient project cost
- Documentation of modelling costs

The following documents are not necessary to submit an application, but must be submitted by building completion stage.

Note: kW estimates upon acceptance to the Program are subject to verification of documentation supplied at building completion.

- Cut sheets or detailed manufacturers' data for heat recovery units at project specific flow rates
- Manufacturers' specifications for any plant equipment including the boiler, system hot water, chiller, cooling tower, air handling and rooftop units
- Control sequences for building automation
- The applicant must notify Enbridge in writing of the completion of a project. A Project Completion Template letter can be found at www.hpnc.ca

Note: If at building completion stage, in the judgment of the Project Evaluator, the kW savings have deviated materially from the kW savings indicated in the application, the applicant will be required to submit a recalculation of the kW savings for the project on an "as built" basis using the same approved modelling software as was used in the application. Also, please include any and all supporting documentation with appropriate changes.

Please contact the HPNC Program at 1-888-672-4762 or hpnc@enbridge.com to set up access to the program's File Transfer Protocol (FTP) site to expedite application submissions.

The application and four summary reports, with supporting documentation as required, comprise the final incentive agreement between Enbridge Gas Distribution ("Enbridge") and the Applicant.

Incentives:

Applicant financial incentives for custom projects shall be calculated based on the lesser of:

- ◇ Up to 25% above Code energy savings = \$250/verified kW savings
- ◇ 25.5%-50% above Code energy savings = \$300/verified kW savings
- ◇ >50% above Code energy savings = \$400/verified kW savings

OR

- ◇ 50% of incremental project costs

The incremental project cost is then calculated as follows:

$$\text{Incremental Project Cost} = \text{Energy Efficient Project Cost} - \text{Base Case Cost}$$

Applications for each custom project must provide for a minimum potential financial incentive total of \$5,000 to qualify. Above Code energy savings must be rounded down to the nearest 0.5%. Code energy savings is defined as MNECB rules for modelling or ASHRAE 90.1 with adjustments to envelope, lighting and HVAC equipment efficiency values to reflect OBC 2006.

Also available to the applicant is modelling support of up to \$10,000 or 100% of simulation costs, which ever is less, and will not exceed the estimated project incentive amount. If the final incentive varies from the estimated incentive upon which the modelling support was based, the final incentive payment to the Applicant will be adjusted (increased or decreased) accordingly. The modelling support is payable at the time of application approval. Total modelling incentives from HPNC and other modelling incentive programs cannot exceed the total modelling cost. For a list of companies that can provide simulation expertise please refer to www.hpnc.ca.

Design decision-maker financial incentives for custom projects shall be calculated based on the following:

- ◇ 25.5%-50% above Code energy savings = \$50/verified kW savings
- ◇ >50% above Code energy savings = \$100/verified kW savings

Design decision-maker financial incentive will be granted to the individual (or organization) who has influenced the energy efficient implementation and design of the new construction. The design decision-maker is chosen at the discretion of the Applicant.

Be sure to indicate on the application any and all OPA HPNC Program incentives and support being applied for with this application such as modelling support, applicant and design decision-maker incentive.

Note: Enbridge must approve custom project incentives prior to project commitment by the applicant. Project commitment means the execution of a construction contract, purchase order or similar documentation by the participant of the equipment or system used to determine the Base Case Load and the installed cost of the Energy Efficient Measures. Funds will not be approved for projects retroactively. The customer may be asked to provide evidence of when project commitment was made, prior to release of incentive funds. This can be done by providing a copy of the construction contract, copies of building and occupancy permit, or other appropriate official documentation between the customer and the contractor. Projects that have made equipment commitments for Alternative Energy Measures for Space Cooling between March 26, 2008 and February 11, 2009 may also be grandfathered into the program. All others must comply with the project commitment rule.

Projects upon completion must have a Total Resource Cost of greater than one as calculated by the Project Evaluator, unless otherwise approved. Enbridge reserves the right to withhold incentives on those projects that do not qualify.

Any project in respect of which an applicant received funding directly or indirectly from or through the OPA, other than from the HPNC Program shall be ineligible for the HPNC Program.

Participants must own any equipment in respect of which a financial incentive is claimed.

kW Savings Calculation Procedure:

kW savings means the kW demand reductions attributable to a project that takes place during Ontario's weekday on-peak and mid-peak summer season from time to time in effect (currently defined as 7am to 8pm from Monday to Friday between (and including) June and September) as determined by the approved modelling software.

Complementary Energy Conservation Programs:

Any project which receives funding, directly or indirectly, from or through the OPA, other than from the HPNC Program shall be ineligible for the HPNC Program.

The use of complementary programs and incentives from non-OPA funded programs is strongly encouraged to further defer the costs of project implementation beyond what the applicant may be eligible for under this program.

Applicants may receive any other additional non-OPA funding for projects to a maximum total amount equal to 50% of custom project costs.

Disclosure of Incentives obtained from other Parties:

As a condition of participation, the applicant must disclose the full incentive amounts pledged by other parties. Enbridge or its representatives reserve the right to contact other funding entities and verify incentives released or pledged. Signing the application is the applicant's authority for Enbridge to make these requests.

If the applicant received approval or additional support funds for its project after approval of the application from Enbridge, they must immediately notify Enbridge. This information will be used to recalculate the incentive amount and if required, the incentive will be reduced to ensure funding for the project does not exceed the maximum total amount equal to 50% of custom project costs.

Technical Eligibility:

All technologies and processes that result in a summer peak kW savings are eligible for application under this program. Kilowatt (kW) savings can be achieved by any of the following:

- ◇ Installation of new high efficiency equipment
- ◇ Installation of "right-sized" efficient equipment
- ◇ Implementation of efficient operation procedures and controls that result in sustained savings
- ◇ Inclusion of technologies or products that improve the thermal performance of the building envelope such as increased insulation, high performance windows and frames, low emissive window glazing, low emissive barriers for roofs
- ◇ Where new technologies or systems are used, they must be considered commercially proven. Pilot or demonstration projects of unproven energy efficient measures shall not be eligible for financial incentives.

Eligible Project Costs:

Total project costs are required for the purposes of determining the maximum eligible financial incentive under the program.

Eligible costs include:

- ◇ Audit, pre-feasibility assessment costs;
- ◇ Engineering and architectural design costs;
- ◇ Project management costs;
- ◇ Equipment costs;
- ◇ Installation labour and services costs;
- ◇ Shipping and delivery;
- ◇ If not tax exempt, PST, import duties, levies, etc.

Costs not eligible include:

- ◇ Financing costs;
- ◇ Related insurance;
- ◇ Maintenance and service contracts;
- ◇ Costs for spare parts/equipment;
- ◇ Purchase or lease of tools or installation equipment;
- ◇ GST.

Where the project is an upgrade over “standard” technology, eligible project costs are calculated as the incremental costs to install the high efficient options over the standard options. In this case, a detailed estimate of the standard project costs must be provided in the supporting documentation, as well as the actual installed costs for the energy efficient project.

Base Case Project Definition:

Base case consumption assumes that the new construction has been done in compliance with the applicable Building Code and means, with respect to the relevant eligible building, the total energy consumption for that eligible building without the installation or use of any energy efficient measures.

Energy Efficient Measure Definition:

Energy efficient measures means high-efficiency equipment, process or systems that reduce energy consumption or demand while maintaining a comparable level of service.

Application Evaluation and Acceptance:

Applications must be submitted prior to October 31, 2010. Applications will undergo a pre-screening process confirming that all the above conditions have been met. Any applications that fail to meet the above criteria will be returned to the applicant with an explanation of the deficiency. Applicant may re-submit after deficiencies have been addressed.

Application evaluation will be conducted by an independent third party (Project Evaluator) that is contracted by Enbridge. Their role will be to assess the viability of projects proposed including the likelihood of achieving the projected kW savings.

In-service Date of Project:

For the project to be eligible for incentives under this program, the project must be completed, be in service, delivering kW savings and all required final documentation submitted prior to December 1, 2012. Projects that are not completed and put into service prior to December 1, 2012, risk having their application rejected and the incentive offer withdrawn.

The applicant must notify Enbridge in writing of the completion of a project. A project completion letter template can be found at www.hpnc.ca

Verification:

If in the judgment of the Project Evaluator the kW savings have deviated materially from the kW savings indicated in the application, the applicant will be required to submit a recalculation of the kW savings for the project on an “as built” basis using the same approved modelling software as was used in the application. Also, please include any and all supporting documentation with appropriate changes.

Enbridge reserves the right to conduct site audits of completed projects.

Project Permanence:

Project must remain in service and delivering the projected savings for a period of at least 36 months.

HPNC Support:

For information and support regarding this program, obtaining application forms or submitting an application, please contact Enbridge at 1-888-OPA-HPNC (1-888-672-4762) or hpnc@enbridge.com.

Please monitor our website www.hpnc.ca for more information and program updates. All program documents and forms can be downloaded from the website.

For Application:

- Fill in HPNC Program application form and send an original signed copy by mail
- Fill in the Results Summary Report
- Complete the Simulation Summary Report
- Complete the Energy and Demand Savings Summary
- Contact Enbridge to set-up access to FTP site for file transfer
- Send the application, results summary report, simulation summary report, energy and demand savings summary report and all supporting documentation to Enbridge

For Notification of Project Completion:

- The applicant must notify Enbridge in writing of the completion of a project. A Project Completion Template letter can be found at www.hpnc.ca
- If in the judgment of the Project Evaluator the kW savings have deviated materially from the kW savings indicated in the application, the applicant will be required to submit a recalculation of the kW savings for the project on an “as built” basis using the same approved modelling software as was used in the application. Also, please include any and all supporting documentation with appropriate changes.