



HIGH PERFORMANCE
NEW CONSTRUCTION

HPNC Program Frequently Asked Questions

Q. What is the High Performance New Construction Program?

A. The High Performance New Construction (HPNC) program is a major initiative in the Ontario Power Authority's overall mandate to promote electricity Conservation and Demand Management (CDM) throughout Ontario and soundly manage the province's current and near-term electricity supply.

The HPNC program will promote "building it better" right from the start. This not only results in higher quality buildings, it also has longer term benefits because ongoing energy costs are lower than they otherwise would have been.

In addition to benefits for businesses, the HPNC program will also benefit the Province of Ontario by eliminating 50 megawatts of peak electricity demand in Ontario by 2012.

The Program targets projects in Ontario outside the 416 area code including offices, retail space, multi-unit residential buildings, affordable housing, colleges, universities, schools, hospitals, long-term care facilities, agribusinesses, hotels and motels. Single family dwellings are not eligible.

Q. What kind of environmental benefits will this Program deliver to the Province of Ontario?

A. The High Performance New Construction Program is focused on reducing peak summer electricity demand; less electricity use means less of an impact on the environment.

Q. What do you mean by kilowatt reductions or savings – kilowatt or kilowatt hours?

A. When we refer to kW reductions or savings we mean kW demand reduction that takes place during Ontario's weekday on-peak and mid-peak summer season from time to time in effect (currently defined as 7 am to 8 pm from Monday to Friday between (and including) June and September) as determined (a) by the Approved Modelling Software for Custom Projects, or (b) by use of the Worksheets for Prescriptive Projects.

Q. How many years will this Program run for?

A. The High Performance New Construction Program is a three-year program. Applications will be accepted until late fall 2010. The Program allows another two years for projects already submitted to be built and evaluated. Projects must be completed and energy savings verified by a Project Evaluator by the end of 2012.

Q. If you reach 50MW quickly, will you close the application deadline early?

A. No. We would be very pleased to exceed the 50MW target.

Q. What kinds of buildings are eligible?

A. The Program targets new construction projects in the planning stages. Eligible projects must be in Ontario and may include offices, retail space, multi-unit residential buildings, affordable housing, colleges, universities, schools, hospitals, long-term care facilities, agricultural buildings, hotels and motels. Single family dwellings and projects within the 416 area code are not eligible.

Q. What do you consider new construction?

A. A New Construction project is (a) the construction of a new building, or additions to existing buildings, or alterations to existing buildings which convert the building to another use, or (b) a major renovation project in an existing building.

Q. What do you consider major renovation projects?

A. Under the Program a major renovation project involves replacing at least two major building systems (including heating, ventilating and air conditioning, building envelope, lighting and electrical) and the renovation must be major enough that the building is unoccupiable for a minimum of 30 days during the renovation.

Q. How many buildings are you targeting?

A. We want to see virtually every commercial and multi-residential building being planned in Ontario outside 416 participate in the High Performance New Construction Program. It's difficult to say how many buildings will be required to achieve 50 MW in electricity reductions because buildings of different sizes will result in different levels of electricity reductions.

Q. Are industrial energy users eligible for the Program?

A. Yes. However, the incentives are for energy efficiency in new building structures and those undergoing major renovation. The High Performance New Construction Program incentives do not apply to electricity reductions an industrial customer might achieve through process improvements carried out in that building.

Q. Why should anyone/ participate in this Program and build or design greater energy efficiency than what is required in the Code?

A. Building owners and their design decision-makers (architect, consulting engineer, etc.) who participate in the High Performance New Construction Program are eligible to receive incentives for integrating energy efficiency into their plans. The value of the incentives available depends on the total number of kilowatts saved, the level of reductions above the energy Code and whether the building is in the prescriptive or custom stream.

Some building owners may receive as much as \$400 per kilowatt saved, with some conditions. Design decision-makers who incorporate energy efficiency into eligible building designs are putting valuable skills to work – skills that can be showcased in a marketplace increasingly interested in energy efficiency – and are also eligible for incentives for verified kilowatts saved.

Of course, in addition to the initial incentives, building owners can reap the rewards of improved energy efficiency in lower ownership costs or greater marketability to tenants for years to come.

Aside from the financial incentives and reduced energy costs, your participation helps alleviate strain on electricity supply in this province and supports the OPA's plan to ensure the power needs of Ontario's businesses and residents continue to be met.

Q. Why isn't the Program available in Toronto?

A. The OPA already has a contract with the City of Toronto's Energy Efficiency Office. For information about that program, please visit <http://www.toronto.ca/energy/bbp-nc.htm>

Q. What other incentives might projects be eligible for i.e. OPA, Enbridge?

A. While the focus is on the OPA's High Performance New Construction Program, we will work to keep abreast of other new construction incentives that participating projects may be eligible for such as incentives from Enbridge Gas Distribution and from Union Gas as well as other government, utility or privately funded programs.

Q. What other programs does the OPA offer?

A. www.hpnc.ca home page provides a link back to the OPA website or visit directly at business.everykilowattcounts.com

Q. How is the Program structured?

A. The Program offers design assistance and financial incentives that encourage less use of electricity in new and significantly renovated buildings. Incentives are available in two streams: prescriptive and custom.

Q. What's the difference between prescriptive and custom?

A. A prescriptive project is a project in which one or more energy efficiency measures as prescribed by the OPA are installed and savings are determined by the use of OPA Worksheets for Prescriptive

Projects. A custom project is a project in which one or more energy efficiency measures are installed and savings are determined by the use of OPA Approved Modelling software.

Q. How are energy savings determined?

A. The electricity reductions achieved in prescriptive projects will be measured using established data on the OPA Worksheets for Prescriptive Projects. To measure custom projects, the following OPA Approved Modelling software will be used - EE4, DOE-2, or eQUEST.

Q. Does the modelling used to determine energy savings only look at electricity savings?

A. No. The HPNC program custom project model looks at a project's electricity, natural gas and water reductions to determine what incentive level a project is eligible for. However, the HPNC program incentives are paid only for kilowatts saved.

Q. Is there a limit on the number of projects an owner/design decision-maker can submit?

A. No. Incentives are offered per project.

Q. Are building owners and design decision-makers eligible for incentives on the same building?

A. Yes.

Q. Do projects have to use natural gas to qualify for an incentive?

A. No. This OPA Program is focused on reducing electricity demand.

Q. The application form asks for the Estimated Total New Building Project Cost. What does this include?

A. The Estimated Total New Building Project Cost is the estimated cost to build the new building.

Q. How are incentives calculated?

A. For custom projects, the qualifying building owners receive the lesser of either specified incentive levels (see chart immediately below) or 50% of incremental project costs.

<u>Savings Level</u>	<u>Financial Incentive</u>
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

For custom projects the qualifying design decision-maker receives:

<u>Savings Level</u>	<u>Financial Incentive</u>
25.5% - 50% Above Code Energy Savings	\$50/Verified kW Savings
>50% Above Code Energy Savings	\$100/Verified kW Savings

For prescriptive projects, the incentives shall be based upon the verified kW savings or appliance installed, and calculated in the respective prescriptive worksheet. Incentives are not offered to design decision-makers for prescriptive projects.

Incentives are up to \$250/verified kW reduction and up to \$60 / eligible appliance.

For custom projects, design modeller financial support of up to \$10,000 per custom project will be available to the building owner that models the building using the OPA approved software. This incentive is payable when the application is accepted into the HPNC program.

Q. What about pilot or demonstration projects in the custom stream?

A. With respect to custom projects, all energy efficient measures must be generally commercially available. Pilot or demonstration projects of unproven energy efficient measures are not eligible for financial incentives.

Q. How much money do you expect an average building to generate in financial incentives?

A. The amount of incentives a building generates will depend largely on its size and the scope of the energy efficiency elements included in the building. Prescriptive projects must be able to achieve a minimum of \$1,000 in incentives to qualify while custom projects must be able to achieve a minimum of \$5,000. Up to \$400 per kilowatt saved will be available to building owners and up to \$100 per kilowatt saved to design decision-makers for eligible new projects.

Q. How will Enbridge ensure the energy saving claimed are valid?

A. There are two different streams that projects can apply under: prescriptive or custom. The electricity reductions achieved in prescriptive projects will be measured using established data. To measure custom projects, the following approved modelling software will be used - EE4, DOE-2, or eQUEST.

Regardless of the type of project, an independent third party (Project Evaluators) will review the applications.

Enbridge has more than 12 years of experience delivering successful energy efficiency programs and measuring their effectiveness.

Q. When do qualifying owners, design decision-makers and designers get paid?

A. Payment of incentives to building owners and design decision-makers is made upon completion of the building, provision of supporting documentation by the building owner and verification of kW reductions by a Project Evaluator. Payment to building owners for design modelling support is made when the custom application accompanied by the software modelled results is accepted into the HPNC program.

Q. What is included in the Alternative Energy Measures for Space Cooling?

A. Alternative Energy Measures for Space Cooling include air conditioning systems for the purpose of space cooling which are powered by energy produced by any fuel, including natural gas, other than electricity.

Q. I am including Alternative Energy Measures into my project. How do I apply?

A. For custom projects, ground source heat pumps are included in the energy simulation. Non-electric cooling must be submitted using the Alternative Energy Measures for Space Cooling prescriptive worksheet for both custom and prescriptive streams.

Q. How do I apply?

A. Please refer to www.hpnc.ca home page for a downloadable application form and guidelines for both prescriptive and custom projects. Prescriptive Project Worksheets are also downloadable from the home page. Please call 1-888-OPA-HPNC (1-888-672-4762) directly for additional information and guidance.

