



## **FREQUENTLY ASKED QUESTIONS (FAQ): LCR**

The Onsite Energy LCR (Local Capacity Requirements) program, and everything you need to know!

### **1. Why is there an LCR Incentive Program?**

1. The LCR program is a result of planned retirement of SCE once-through-cooling *coastal* power generating stations by the end of 2020.
2. These generating stations currently provide power to many SCE substations located throughout several major metropolitan areas in the W. LA Basin.
3. The electrical capacity they produce for the SCE substations must be replaced, or a power supply crisis to the entire business & residential areas could result.
4. As a direct result of these plant closures, the LCR program was developed specifically to offset this critical loss of power generation, and as an alternative to building new power plants.
5. Much of this lost capacity will be replaced via various systems ***energy efficiency improvements*** in all the major vertical market types of buildings, excluding residential, through the LCR incentive program.
6. The LCR program offers very liberal incentive funds to promote and encourage customer participation in system energy efficiency improvements in all market sectors.
7. The Onsite Energy LCR Program will engage with customers, and various types of contractors, throughout the W. LA Basin to deliver these energy efficiency improvements by 2020.

### **2. What is Onsite Energy LCR?**

1. LCR is an energy efficiency incentive program that is unlike the typical 'custom', 'express', 'deemed' or 'mid-stream' energy efficiency programs that SCE has been *offering*, and *administering*, for several years.
2. The LCR energy efficiency program is fully offered, and administered by, Onsite Energy, not SCE, and Onsite Energy pays out all incentives for the program.
3. The LCR incentives are paid for measured capacity demand (kW) reduction that occurs between the hours of 2-5 PM of the 3 hottest days of the summer (June, July, August, September and October), Monday-Friday.
4. The LCR program is a *limited time program* and as the incentive funds available for the program are exhausted, the program offering will cease.

### 3. What is Onsite Energy's role in the LCR Program?

1. Onsite Energy Corporation has an LCR energy efficiency contract with SCE to deliver 11 MW of capacity in the West LA Basin LCR territories.

### 4. Why should I participate?

1. Substantial incentives are offered to customers for implementing Energy Efficiency projects that meet the LCR requirements, as stated above.

### 5. Who issues the LCR incentive?

1. Onsite Energy issues the LCR incentives.

### 6. What are LCR Incentives specifically paid for?

1. Measured Energy Efficiency savings for system improvements in all major vertical sectors of those markets that meet LCR requirements as outlined above.

### 7. What is the LCR Incentive 'Process'?

1. A detailed audit is completed for any energy efficiency measure to be considered. The existing system baseline usage must be determined to estimate the kW reduction based on the proposed post installation energy consumption.
2. Onsite reviews the submitted audit from the contractor and develops all the required documentation that is required to be submitted to SCE for the LCR program. This includes the Measurement and Verification Plan (M&V Plan) which details exactly how the project savings will be measured and following installation.
3. **The customer must execute an Onsite Energy LCR Customer Agreement to participate in the program.**
4. For projects not implemented by Onsite, and for Program tracking requirement purposes, Onsite must receive a copy of the project proposal to the customer, and an executed ***copy of the customer PO to the contractor when issued.***
5. Onsite Energy schedules / conducts a pre-inspection with a third-party evaluator which confirms the existing equipment that will be upgraded is in place and operational., and to establish an energy usage baseline for the existing equipment / system. We expect the respective contractor's direct participation for this meeting.
6. Once the pre-inspection is complete, and all documentation is submitted to SCE by Onsite Energy for further review purposes, approval is usually received within 3-4 weeks. **NOTE: Installation** cannot begin prior to this formal approval by SCE as this will nullify the incentive for the LCR customers project. Customers however can issue a purchase order (PO) for materials at any time during the process.

7. Once approval to proceed is obtained from SCE, the project can be installed (NOTE: all materials can be pre-ordered prior to approval to proceed with installation).
8. On notification to Onsite that the installation is complete, Onsite and a third-party evaluator must return to the site to confirm the project was installed as specified in the approved report from SCE; this will include logging and measurement of energy use. This visit is referred to as the post-inspection. We expect the respective contractor's direct participation in this meeting.
9. Onsite engineers develop and submit all the required post-installation documents and measured savings results to SCE for review and approval.
10. Once the post-installation report is approved by SCE, the customer or vendor will receive their incentive in approximately (30) days.

#### **8. What are the Customer Requirements to participate in the LCR program?**

1. Provide site access to Onsite Energy and SCE for all inspections and an additional five years following project implementation to prove persistence of savings to SCE, if necessary.
2. A signed LCR Customer Agreement.
3. Must be an SCE customer, and served by an eligible SCE substation to participate.
4. Only certain geographic regions are eligible for the LCR program.
5. Service account numbers are required to determine eligibility in the LCR program (copy of recent SCE bill).
6. Onsite must receive an executed copy of the customer PO (customer and contractor signature) for the project
7. We must have access to the facility for approximately 5 years to cover the following:
  - i. Pre-inspection to confirm counts, fixture types, wattages, etc.
  - ii. Post-inspection (M&V) to measure savings results (capacity demand kW reduction)
  - iii. Repeat of post M&V process if requested by SCE through the Agreement Term

#### **9. When is the project incentive paid to the customer?**

1. 30 days following SCE approval of post project inspection report.

#### **10. Can the customer assign the project incentive?**

1. Yes, the customer can assign the project incentive to any contractor or firm of their choice. The assignment clause is contained in the customer agreement (Page 1)

#### **11. What is the LCR Customer Agreement?**

1. An agreement between the Customer and Onsite Energy granting access privileges to the site for all inspections, and including five years following project completion to prove ongoing **persistence of savings** to SCE, as required in the LCR program.

**12. When does the customer have to execute the customer agreement?**

1. Before the scheduling of the pre-inspection of the project.

**13. What types of projects fit well into the LCR program?**

1. All energy savings measures are eligible, but LED lighting retrofits are proving to yield some of the best value paybacks when LCR incentives are included.
2. Other measures may include compressed air upgrades, chilled water plant system replacement and controls optimization, other system controls optimization, Variable Frequency Drives added to various systems, HVAC upgrades, refrigeration upgrades, vacuum systems, dusts collection systems, injection molding/extruder upgrades, process cooling systems including chillers/cooling towers and various other process system optimization.

**14. Are there charges to the customer, or the contractor, for the LCR administration and engineering services performed by Onsite?**

1. No, there are no charges to the customer, or the contractor, for Onsite Energy engineering support efforts and administration of the program.

**15. How can you make the LCR process for project approval move as quickly as possible?**

1. Provide us complete information: properly completed LE table (use ours), provide us multiple pictures of existing ballasts and fixture types, and provide us a copy of the customer SCE monthly (1 month) bill for SCE each meter at the site.