

Arizona Demand-Side Management (DSM) Combined Heat and Power (CHP) Incentive Program Agreement

Program Description

Southwest Gas Corporation (Southwest) is offering incentives under its DSM CHP Incentive Program (Program) to facilitate installation of energy efficient CHP systems. Funding for the Program comes from DSM program funding approved by the Arizona Corporation Commission (ACC).

Agreement

By signing this agreement, I attest, represent, warrant, and certify that I understand and agree to abide by all applicable Program policies, terms and conditions including, without limitation, the attached Policies, Terms and Conditions, and the following Program requirements:

1. I am an eligible Southwest customer, in good standing, or eligible Customer's authorized representative.
2. I contracted for, or purchased for installation, a CHP system solely for use in my business facility and not for resale, and have installed and acceptance tested such CHP system. I have attached documentation establishing proof of payment for the items purchased and their installation.
3. I agree to verification by Southwest or its representatives of sales transactions, equipment installation, and verification of acceptance test results.
4. Southwest or its representatives have the right to ask for, and I will provide, additional information on the CHP project to document costs and engineering information to verify operational status and project energy efficiency compliance.
5. I understand that the program has a limited budget and that the program may be modified or terminated without prior notice. Applications will be processed on a first-come, first-served basis until allocated funds are spent.
6. I understand that the final application and all required documentation must be received by Southwest within six months of project completion or it will be deemed ineligible for payment.
7. An application must be submitted to Southwest on the form provided. Additional documents required include:
 - a. 12 months of natural gas and electric bills;
 - b. Copy of a CHP preliminary project economic feasibility study; and
 - c. Final CHP project engineering study, signed and stamped by an Arizona registered professional engineer.
8. To be eligible, a CHP system must demonstrate energy efficiency savings in one or more of the following areas:
 - a. Energy usage
 - b. Energy demand
 - c. Emissions
 - d. Water use
9. Total DSM incentives are based upon fuel efficiency ratings for the installed CHP system, as set forth in the following table:

| Fuel Efficiency of CHP System (%) | Incentive Payment Level (as approved by Southwest) |
|--|---|
| 70% | Up to \$500 per kilowatt |
| 65% | Up to \$450 per kilowatt |
| 60% | Up to \$400 per kilowatt |

10. **Total available DSM incentives are limited to up to fifty percent (50%) of the installed cost of the CHP system.**
11. **DSM incentives are subject to a maximum reimbursement of seventy-five percent (75%) of the total installed cost of the CHP system for systems qualifying under both the DSM and the Distributed Energy CHP Incentive Programs.**
12. In no event will Southwest pay more than seventy-five percent (75%) of the total installed cost of the CHP project. This payment is made after acceptance testing demonstrating the fuel efficiency of the CHP unit.
- The 75% total is calculated including any incentives or funding received under the Distributed Energy CHP Incentive Program.
 - Applicant's internal labor costs are not reimbursable.
 - Decontamination and decommissioning (D&D) costs are not eligible for reimbursement, whether such work is performed prior to or subsequent to installation of the CHP system.
13. **Demonstrated Energy Efficiency Savings. Energy efficiency savings and benefits must be sustained for a minimum period of three (3) years. I agree that if: (a) the CHP system is removed; (b) the CHP system is not operated at the required fuel efficiency; or (c) the CHP unit is not operated for required three-year period, I will reimburse Southwest for a prorated amount of the incentive funds received, based on the actual time the CHP system was installed and operating at the required fuel efficiency (or for the full amount of incentives received if the CHP system was never installed or operated).**
14. Consent to Release of Participant Information. I agree and consent that I may be recognized as a program participant in promotional materials. Except as noted in Section 11 of the Policies, Terms and Conditions, project details will not be released without prior consent. I may opt-out of such recognition by written request to the Southwest contact information set forth below.
15. I certify that the attached application is true and correct.
16. I have read and understand the Program requirements outlined above, and agree to abide by those requirements.
17. I have read the attached Policies, Terms and Conditions and agree to comply with these Policies, Terms and Conditions.
- ☐ Please indicate if Applicant will receive or intends to file for state and/or federal tax incentives or credits related to the CHP units installed under this agreement.
- ☐ Please indicate if Applicant will receive or intends to file to receive any other state and/or federal grants (e.g., ARRA) related to the CHP units installed under this agreement.

| | | |
|--|-------------------------------------|---|
| <hr/> <i>Total Project Cost</i> | <hr/> <i>Applicant Name (print)</i> | Third-party Information <i>(required if receiving check)</i> |
| <hr/> <i>Fuel Efficiency</i> | <hr/> <i>Applicant Signature</i> | <hr/> <i>Name (print)</i> |
| <hr/> <i>Total Incentive Requested</i> | <hr/> <i>Date Signed</i> | <hr/> <i>Signature</i> |
| <hr/> <i>Project Completion Date</i> | | <hr/> <i>Applicant Initials</i> |

Contact Information

Southwest Gas Corporation
Attn: State Regulatory Affairs (DSM) Department (LVB-105)
P.O. Box 98510
Las Vegas, NV 89193-8510
Phone: (702) 876-7214
Facsimile: (702) 873-3820
Electronic mail: **EnergyEfficiency@swgas.com**



COMBINED HEAT AND POWER (CHP) PROGRAM APPLICATION (ARIZONA)

For questions regarding this application, please contact Key Account Management at
(602) 395-4082 for the Phoenix Metro area or (520) 794-6438 for southern Arizona.

Company Name _____ SWG Acct. No _____

Company Name (as shown on your tax return, if different from above)

Tax Identification Number (Social Security
Number or Employer Identification Number)

Check appropriate box for federal tax classification: ☐ C Corporation ☐ S Corporation ☐ Partnership

☐ Individual / Sole Proprietor ☐ Trust / Estate ☐ Other ☐ Exempt Payee

☐ Limited liability company - enter the tax classification (C=C Corporation, S=S Corporation, P=Partnership)

Project Address _____

Project Contact Name _____ Title _____

Phone _____ Cell _____ E-mail _____

Section II. Proposed Project

A. Size of project in kW (or Hp if not producing electricity) _____

B. Project description (e.g. 100 kW generator with waste heat to displace boiler load)

C. Size and description of proposed equipment (e.g. 100 kW Caterpillar model 123 natural gas generator,
600,000 Btu/hour heat exchanger, electric switchgear, concrete supporting structure, process piping, etc.)

Section III. Existing Equipment

A. Size and description of pertinent existing equipment (e.g. 3,000,000 Btu/hour boiler, etc.)

B. Thermal load on site during normal operations _____ Btu/hour

Section IV. Costs

A. CHP equipment cost (please list each major piece of equipment and related cost).

| | | | |
|----|-------|------|-------|
| 1. | _____ | Cost | _____ |
| 2. | _____ | Cost | _____ |
| 3. | _____ | Cost | _____ |
| 4. | _____ | Cost | _____ |
| 5. | _____ | Cost | _____ |
| 6. | _____ | Cost | _____ |

Total Equipment Cost _____

B. CHP installed cost (please list elements of total installed cost, e.g. equipment, engineering, taxes, overhead, profit, etc)

| | | | |
|----|-------|------|-------|
| 1. | _____ | Cost | _____ |
| 2. | _____ | Cost | _____ |
| 3. | _____ | Cost | _____ |
| 4. | _____ | Cost | _____ |
| 5. | _____ | Cost | _____ |
| 6. | _____ | Cost | _____ |

Total Installed Cost _____

Section V. Utility and/or Operation Information

A. Monthly utility bills. Attach 12 (most recent) monthly electric and gas utility bills showing the following:

- ☐ Current monthly kW demand on site
☐ Current monthly kWh on site
☐ Current monthly natural gas use on site

B. Operation

Hours per day _____
Days per week _____
Weeks per year _____

Section VI. Projected Energy Savings and Fuel Efficiency

Please enclose a copy of a preliminary project economic feasibility study. A final Engineering study for this project, which has been stamped by an Arizona registered Professional Engineer (PE), will be required prior to award.

A. Projected Energy Savings:

| | | |
|-----------------------------------|-------|--------------------------|
| Reduction in kW demand | _____ | kW |
| Reduction in annual kWh from grid | _____ | kWh/year |
| Reduction in annual thermal use | _____ | Btu/year |
| | _____ | therms/year |
| | _____ | kWh/year (if applicable) |
| Annual fuel use by prime mover | _____ | therms/year |

B. Projected Fuel Efficiency (during normal hours of operation, using the higher heating value.) Insert values into equation below:

Efficiency= $\frac{[\text{Prime Mover Output} \text{ _____ } + \text{Heat Recovery} \text{ _____ }]}{\text{Prime Mover Input} \text{ _____}}$ x 100%

Efficiency= _____ 0 %

Section VII. Responsible Party for This Project

Certification Statement - I herby certify that all information in this Application, including any attachments, is true and accurate to the best of my knowledge. I have reviewed the eligibility criteria. I have read and understand the Terms and Conditions set forth in this Application and agree to abide by them. I further certify that I am the Owner and/or Developer of the subject facility (building), or an Agent of the Owner and/or Developer or the legal Lessee, with full authority to obligate the Owner and/or Developer to all terms of this Agreement.

Print name _____ Title _____

Signature _____ Date _____

Supplemental information (to be completed by Southwest Gas)

Section VIII. Projected Estimated Annual and Lifespan Emissions, Energy, and Water Savings

A. Emissions savings

Annual:

Lifespan:

B. Energy savings

Annual:

Lifespan:

C. Water savings

Annual:

Lifespan:

Terms and Conditions

- All projects must be approved by Southwest Gas before a rebate can be issued.
- Incentives for this program are based upon the efficiency of the CHP system.
- Multiple applications for different facilities (buildings) may be submitted. Each facility (building) will be evaluated individually.
- Rebates are limited to no more than one (1) for each facility (building) per calendar year.
- Applicants may be required to provide Southwest Gas Supplier Profile Form 188.0 before payment can be authorized.
- Offer is valid on qualifying CHP projects constructed between December 1, 2011 and November 30, 2012, or until funds are no longer available, or until the program is discontinued, whichever comes first. All applications must be posted marked by December 15, 2012.
- A copy of applicant's invoice of services performed must be submitted with this application. The invoice of services performed must include installation date(s).
- For additional information, to verify eligibility or for questions regarding rebates please contact Southwest Gas at 520-794-6438 for southern Arizona and for Phoenix Metro area 602-395-4082, Monday through Friday 9 a.m. to 5 p.m. Additional information regarding eligibility and products may be found at www.swgas.com.
- Applicant must completely fill out and sign the application.
- Applications submitted with applicant's utility bill will not be accepted.
- Applications are subject to verification by Southwest Gas. Southwest Gas reserves the right to verify both the facility (building) and information provided in the application prior to issuing a rebate.
- Southwest Gas issues rebates in the form of checks, not utility bill credits.
- Southwest Gas is not responsible for items lost or delayed in the mail, or any rebate delayed due to incomplete or incorrect applications.
- Southwest Gas is not responsible for any taxes that may be imposed as a result of applicant's receipt of any rebate from Southwest Gas.
- Southwest Gas does not make any warranty, express or implied, or assume responsibility for the accuracy, completeness, or usefulness of any information, estimated savings, and benefits attributed to the products that qualify for this program. Reference to any specific product, project, or service by manufacturer, trade name, trademark, or otherwise does not constitute or imply its endorsement, recommendation, or favoring by Southwest Gas. Southwest Gas is not responsible if a retailer or contractor provides inaccurate information to the applicant about the amount, terms and/or conditions of the actual rebate and Southwest Gas will not pay rebates for equipment that is mislabeled or misrepresented by dealers regarding rebate qualifications.

Application Guidelines

Submit this completed, **signed**, rebate application and copies of all required documents to:

Southwest Gas Corporation
Conservation and Energy Efficiency (LVB-105)
P.O. Box 98510
Las Vegas, NV 89193-8510
E-mail: Energy.Audit@swgas.com
Fax: 702-873-3820

Allow approximately 6-8 weeks from receipt of completed application, including all required documents, for rebate check to arrive.

See page 1 and 2 for Application