

HVAC Variable Frequency Drives Incentives

Application and Instructions

SCE&G's EnergyWise for Your Business Program is designed to help non-residential customers replace aging, inefficient equipment and systems with energy-efficient technologies. The program provides customers with incentives and technical assistance that will facilitate the installation of premium efficient equipment. For the period beginning June 16, 2014 and ending on November 30, 2015, EnergyWise for Your Business incentive payments are capped per Customer Federal tax ID number at \$100,000. Subsequently, for each program year (December 1–November 30), EnergyWise for Your Business incentive payments are capped per Customer Federal tax ID number at \$100,000. Details of the program, including incentive levels and technical requirements, are subject to change without prior notice. You may go to www.sceg.com/energywise to get the most current program information, or you may call 877-784-7234.

Eligible Participants

EnergyWise for Your Business is open to all non-residential electric customers within the SCE&G service territory, except for industrial and certain large retail customers that have elected to opt out of the Demand Side Management (DSM) programs by notifying SCE&G in writing using the Opt-Out form.

Eligible Equipment

Eligible equipment and incentive amounts are listed on pages 3-4 of this application form. These measures are subject to the associated technical eligibility criteria. All equipment must be new; used or refurbished equipment is not eligible. This application form is for installation of variable frequency drives (VFDs) on existing HVAC equipment only. Replacement of failed VFDs or those installed in new construction do not qualify for incentives. Only VFD installations not required by South Carolina Code IECC 2009 are eligible for incentives.

Pre-Approval Requirements

All projects require pre-approval prior to purchasing and installing any equipment. After the application has been pre-approved by SCE&G, the customer will be notified in writing, assigned a project identification number, and given any specific instructions. The customer may then purchase and install the pre-approved equipment.

Participation Instructions

Please review the program Terms and Conditions on page 6 and any specific application or measure code requirements.

Step 1

Review program materials to confirm your proposed equipment meets program requirements. Visit the program website at www.sceg.com/energywise or contact us at 877-784-7234 with any questions about eligibility.

Step 2

Complete the program application. Refer to the Application Checklist on page 5 to verify that all required information and documentation are included for submission to SCE&G. Please indicate under *Customer Contact Information* the mailing address for all correspondence, including incentive checks if applicable. Incomplete applications will not be accepted and will be returned to the customer for completion.

Please indicate if the incentive payment should be made payable to the customer of record or a third party, such as the installation contractor. All incentive payments require authorization from the customer of record.

IRS Form W-9 must be completed for the party receiving the incentive payment from SCE&G. This form is available at www.irs.gov. Regardless of who is receiving the incentive payment, the customer's Federal tax ID number must be provided on page 2 of this application.

Complete application packages may be submitted by U.S. mail, fax, or email.

Mail: SCE&G - EnergyWise for Your Business

Mail Code: DSM
220 Operation Way
Cayce, SC 29033

Fax: 877-646-7234

Email: EnergyExperts@sceg.com

Step 3

Applications will be processed and SCE&G will notify the customer in writing when the review is complete and funds have been reserved. Upon receipt of program pre-approval, customers may purchase and install their energy-efficient equipment. SCE&G will notify customers if an inspection of the facility is necessary prior to pre-approval.

Any changes in the proposed equipment, quantities, or operating conditions must be approved by SCE&G prior to implementing.

Step 4

Upon project completion, please return the signed customer acknowledgment at bottom of the pre-approval letter along with proof of purchase. SCE&G will notify customers if an inspection of the facility is necessary prior to final payment processing.

Questions

If you have questions about the program, call 877-784-7234, email EnergyExperts@sceg.com, or visit www.sceg.com/energywise.

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PROJECT INFORMATION

Application Date _____ Expected Completion Date _____

Company Name _____ SCE&G Electric Account # _____

Street Address (of the facility) _____ Customer Federal Tax ID _____

City _____ State _____ ZIP _____

Building Type (select one)

Office Retail School University Religious Facility Grocery
 Lodging Industrial Warehouse Health Facility Multifamily Restaurant Other _____

Project Type

Equipment Replacement Expansion Renovation Other _____

CUSTOMER CONTACT INFORMATION

Mailing Address (where all correspondence will be mailed, including incentive check if payment is to customer) _____

City _____ State _____ ZIP _____

Contact Person _____ Title _____

Telephone No. _____ Fax No. _____ Email _____

PAYMENT INFORMATION

Check Payable to: Customer Contractor

Federal Tax ID Number (of recipient) _____

Tax Status of Recipient (check one)

Corporation LLC Partnership Individual Proprietorship Not for Profit

Customer Authorized Representative (please print) _____ Title _____

Signature _____ Date _____

CONTRACTOR INFORMATION

Company Name _____

Street Address _____

City _____ State _____ ZIP _____

Contact Person _____ Title _____

Telephone No. _____ Fax No. _____ Email _____

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TECHNICAL REQUIREMENTS

Incentives will be provided for the installation of new VFDs controlled by an automatic signal in response to varying air or water flow. Incentives will be for VFDs from 5–100 horsepower (HP) for the HVAC applications listed in Table 1.

For chilled water and heating pump installations, at least 75 percent of pump capacity must be controlled by two-way valves. Controlled motors must operate a minimum of 2,000 hours per year.

The following HVAC VFD applications are NOT eligible for these incentives:

- Forward curve fans with inlet guide vanes
- Variable pitch vane-axial fans
- Replacement of a failed VFD
- VFD used solely for balancing a constant flow
- Control of existing two-speed cooling tower fan
- Two-speed control of a fan or pump
- Mitigation of oversized motor installation

Published manufacturer’s information must be submitted with each application to demonstrate compliance for each of the following criteria:

- 15 millisecond minimum ride through on the VFD control at full load and no inertia
- Auto restart
- Flying restart (start into rotating motor, speed search)
- Under voltage trip 85 percent or less
- Minimum 3 percent in-line reactor or equivalent (choke, isolation transformer) based on drive HP
- 95 percent minimum drive efficiency at full load and full speed
- 0.95 minimum displacement power factor

IMPORTANT INFORMATION ABOUT VFDs

- It is good engineering practice to ensure that the application of VFDs within a facility does not cause excessive facility harmonic distortion.
- If the cable length between a VFD and controlled motor is greater than 50 feet, additional motor winding insulation on the first few windings, or the installation of an LC filter on the output of the inverter, might be required.
- The VFD should be grounded in accordance with the manufacturer’s grounding requirements for noise, as long as the requirement complies with applicable electric codes.
- The facility owner might want to consider: VFD startup by manufacturer representative, overcurrent trip protection, and critical frequency lockout. See IEEE 519 for further information.

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TABLE 1: VFD INSTALLATION TYPE

Device Code	Installation Type	Device Code	Installation Type
SAF	HVAC Supply Air Fan	CWP	Chilled Water Pump
RAF	HVAC Return Air Fan	HWP	Heat Water Pump
CTF	Cooling Tower Fan	WHP	Water Source Heat Pump Circulator Loop

TABLE 2: VFD SIZE AND INCENTIVE

Motor HP	Incentive	Motor HP	Incentive	Motor HP	Incentive
5	\$250	20	\$1,000	50	\$2,500
7.5	\$375	25	\$1,250	60	\$3,000
10	\$500	30	\$1,500	75	\$3,750
15	\$750	40	\$2,000	100	\$5,000

TABLE 3: CONTROLLING PARAMETER

DP	Pressure Differential	DT	Temperature Differential	OTH	Please specify on Table 4
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TABLE 4: INCENTIVE TABLE FROM TABLES 1, 2, AND 3 ABOVE (COMPLETE ONE ROW PER VFD)

Installation Type Device Code (Table 1)	Manufacturer	VFD and Motor HP (Table 2)	Controlling Parameter (Table 3)	Location/ Designation	Requested Incentive per VFD (Table 2)
Attach a separate list for additional units.				Total Requested Incentive	

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APPLICATION CHECKLIST

For faster application processing, please include the following items with your application:

- Complete application (customer and payment information on page 2 and customer acknowledgment below).
- SCE&G electric account number (on customer information page). Attach copy of SCE&G electric bill.
- IRS Form W-9 completed for payment recipient (available at www.irs.gov).
- Supporting documentation to include manufacturer's specification (cut) sheets for equipment included in this application.
- Customer signature and proof of purchase (contractor receipts), at time of project completion.

Applications submitted for processing will be processed in the order in which they are received. Applicants will be notified as to their pre-approval status and/or any pre-inspection requirements within 10 business days from receipt of complete application. Applicants will be notified if post-installation inspections are required prior to final payment.

CUSTOMER ACKNOWLEDGMENT

By signing below, I hereby certify that all statements made on this application are correct to the best of my knowledge and that I have read and agree to the Terms and Conditions on page 6.

Authorized Representative (please print) _____ Title _____

Signature _____ Date _____

Note: Upon completion of project, SCE&G customer of record must sign and return the written pre-approval letter and provide proof of purchase for all energy efficiency measures.

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TERMS AND CONDITIONS

1. **Eligibility:** EnergyWise for your Business incentives are available to SCE&G non-residential electric customers for the purchase and installation of qualifying energy conservation measures (ECMs) in the SCE&G service territory, subject to these Terms and Conditions (T&Cs). Industrial customers and specific large retail customers that have elected to opt out of Demand Side Management programs, by notifying SCE&G in writing using the SCE&G provided Opt-Out form, are not eligible to participate. SCE&G reserves the right to deny any application that may result in SCE&G exceeding its program budget. EnergyWise for your Business incentives are limited, offered on a first-come/first-served basis, and are subject to project and Customer eligibility and funds availability. For the period beginning June 16, 2014 and ending on November 30, 2015, EnergyWise for Your Business incentive payments are capped per Customer Federal tax ID number at \$100,000. Subsequently, for each program year (December 1–November 30), EnergyWise for Your Business incentive payments are capped per Customer Federal tax ID number at \$100,000.
2. **Authorization, Program Changes, Suspension, or Cancellation:** SCE&G may change the program requirements, incentives or T&Cs, including suspending acceptance of applications or terminating the program, at any time and without notice. In the event of a program change, pre-approved applications will be processed to completion under the T&Cs in effect at time of pre-approval. Submission of a completed application does not entitle Customer to program participation. For all projects, entitlement to program participation and SCE&G's obligation to pay incentives may occur only after SCE&G has granted written authorization, which SCE&G may grant or not at its sole discretion.
3. **Project Approval:** Pre-approval is required for all projects. SCE&G reserves the right to inspect any project prior to pre-approval. For all projects, no project-related ECMs may be ordered or installed prior to the date of SCE&G's pre-approval. Violation of this prohibition will disqualify the ECM for incentives. Projects must be completed by the date listed on the pre-approval notification letter (within 180 calendar days for retrofit projects or one year for new construction projects).
4. **Creditworthiness:** An incentive payment is conditioned upon and subject to Customer maintaining its financial creditworthiness and keeping its SCE&G account in good standing. At any time prior to an issuance of an incentive check, SCE&G may request financial information to support its financial due diligence procedures. Customer agrees to assist in this reasonable financial review. If SCE&G believes in good faith that the Customer's SCE&G account is not in good standing, or if creditworthiness of participant has been diminished, SCE&G may reject approval of an incentive payment.
5. **Proof of Purchase:** Prior to SCE&G's verification of the ECM installation, Customer must provide copies of all invoices or other appropriate documentation that clearly verifies the costs of purchasing and installing the ECMs, including all material, labor, and equipment discounts. Invoices must indicate a verifiable breakout of all ECMs purchased for installation under the ECM incentives application, including model numbers and quantity.
6. **Project Verification:** SCE&G may conduct an inspection of Customer's facility to verify pre- and post-installation conditions or verify documentation prior to incentive payment at any time after receipt of an application. SCE&G is not obligated to pay any incentive until it has performed a satisfactory post-installation inspection. Should SCE&G determine that ECMs were not installed in accordance with the approved application, or if an unapproved ECM was installed, or if the installation was not consistent with generally accepted engineering/construction practices, changes may be required before payment is issued. Notwithstanding anything to the contrary, should SCE&G determine at any point before payment of the incentive that there has been significant deviation in the type, amount, cost or performance of the ECMs underlying this incentive commitment that were set forth in the program application and pre-approved, SCE&G retains the right to revoke this commitment or reduce the final incentive amount accordingly. SCE&G reserves this right despite a satisfactory post-installation inspection. Customer agrees to provide prompt notice to SCE&G of any significant deviation in the type, amount, cost or performance of the ECMs underlying this incentive commitment that were set forth in the program application and pre-approved by SCE&G.
7. **Customer Tax Obligation:** Customer or Customer's designated contractor is responsible for declaring and paying any and all applicable federal, state, and local taxes that may be owed on any incentive payment. Neither SCANA, SCE&G, or any other SCANA subsidiary shall be liable for any federal, state, and local taxes that may be owed on or as a result of any incentive payment. The party receiving the incentive payment (Customer or Contractor) must complete IRS Form W-9 and submit it to SCE&G with the incentive application materials.
8. **Compliance:** Customer is responsible for obtaining any and all necessary licenses and permits related to the installation of ECMs. Customer also agrees to comply with all federal, state, and local laws, codes, and regulations related to the installation and disposal of all equipment.
9. **Removal of Equipment:** Customer agrees to remove and dispose of the equipment being replaced by the ECMs in accordance with all legal requirements. Customer agrees not to re-install any of this equipment in the SCE&G service territory or transfer it to any other party for such installation.
10. **Replacement of Failed Equipment:** Customers who install ECMs are expected to replace any of the ECMs that fail with similar or superior energy savings equipment at Customer's expense.
11. **Evaluation Follow-up Visits:** With advance notice, SCE&G reserves the right to make or to have its contractor(s) make follow-up visits to Customer facilities during the 36 months following completion of the project to provide SCE&G with an opportunity to review the operation of the ECMs for program evaluation purposes. Customer agrees to cooperate with this effort.
12. **Contractor Selection:** Customer may select any contractor to perform the work contemplated by the application, even after the application is pre-approved by SCE&G. However, SCE&G reserves the right, in its sole discretion, to prohibit specific contractors from program participation.
13. **No Warranties:** SCE&G does not endorse, guarantee, or warrant any particular manufacturer or product and SCE&G provides no warranties, express or implied, for any products or services, and herein specifically disclaims any such guarantees or warranties. SCE&G is not liable or responsible for any act or omission of any contractor hired by Customer. Customer's reliance on warranties is limited to any warranties that may arise from, or be provided by contractors, vendors, etc. Customer acknowledges that neither SCE&G nor any of its consultants are responsible for ensuring that the design, engineering, and construction of the facility or installation of the ECMs are proper or comply with any particular laws (including patent laws), codes, regulations, or industry standards. SCE&G makes no representations of any kind regarding the results to be achieved by the ECMs or the adequacy or safety of such measures.
14. **Limitation of Liability:** SCE&G's sole obligation is limited to paying the properly qualified rebates specified herein. Neither SCANA, SCE&G or any other SCANA subsidiary shall be liable to Customer or any other party for any special, indirect, consequential, or incidental damages, regardless of the theory of recovery, caused by or arising from any activities associated with this program.
15. **Obligations between the Parties:** Customer acknowledges that any contractor selected by Customer is not an agent, contractor, or subcontractor of SCE&G and is an independent contractor engaged by Customer, and that SCE&G does not manage or control the contractor's performance. SCE&G shall have no obligation to maintain, remove, or perform any work whatsoever on the ECMs installed. SCE&G shall have no liability for a contractor's failure to perform, for failure of the energy savings measures to function, for any damage to Customer's premises caused by the contractor, or for any and all damages to property or injuries to persons caused by or associated with the energy savings measures.
16. **Miscellaneous:** These T&Cs and this application, of which these T&Cs are an integral part, constitute the entire agreement between the parties and supersede all other communications, representations, and understandings.