



DTE Energy Your Energy Savings

2012 New Construction and Major Renovation Policies and Procedures Manual

The Your Energy Savings Program provides incentives for business customers who upgrade their facilities with energy efficient equipment and those who build new buildings to perform better than energy standards. This incentive program is available to customers who receive electric and/or natural gas delivery service from DTE Energy. This document is intended to convey the rules, policies and procedures that govern program administration and customer participation. It is a companion document to the 2012 New Construction and Major Renovation Program Application.

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P.1 PROGRAM OVERVIEW

DTE Energy is offering a comprehensive set of incentives under the DTE Energy's Your Energy Savings Program to facilitate the implementation of cost-effective energy efficiency improvements for business customers.

Application forms are available on the DTE Energy website: dteenergy.com/saveenergy.

New Construction and Major Renovation incentives are intended to encourage decision-makers in New Construction and Major Renovation projects to incorporate greater energy efficiency into their building design and construction practices.

The New Construction and Major Renovation Program will provide design assistance and incentives to Commercial and Industrial (C&I) customers to help overcome the economic barriers to designing and building high performance buildings.

For this program, New Construction and Major Renovation may include any one of the following: New building projects wherein no structure or site footprint presently exists; addition or expansion of an existing building or site footprint; or major tenant improvements that change the use of the space and/or add new load. If you have questions, please contact program staff for eligibility before you start.

Incentives for New Construction and Major Renovation are offered following two approaches, either "Whole Building" or "Systems". The Whole Building approach is typically best suited for larger projects and will typically result in larger incentive amounts than the Systems Approach. Technical Assistance Incentives are also offered to assist with energy modeling during the design phase of the Whole Building approach.

The Systems Approach is typically best suited for smaller projects where building modeling will not be performed. The Systems Approach may also be appropriate for projects that are too far along the design path to make larger design changes but where there is still opportunity to make smaller design changes associated with lighting and mechanical systems.

P.2 PROGRAM EFFECTIVE DATES

DTE Energy's Your Energy Savings Program offers incentives for the current program year until approved funds are exhausted or until November 30 of each program year, whichever comes first. To be eligible for incentive amounts available at the time of application, all work must be completed and Final Application submitted with all required documents within 60 days of the date of project completion or within 60 days of the reservation end date, whichever comes first. At the current time, DTE Energy intends to provide this program through 2014.

P.3 CUSTOMER ELIGIBILITY

Customer eligibility parameters for DTE Energy's Your Energy Savings Program are as follows:

- This program is available to Commercial and/or Industrial business customers of DTE Energy. Customers that are billed on non-residential rates are classified as business customers.

- Qualified measures must be installed at facilities served by DTE Energy and projects must result in an improvement in energy efficiency as set forth in section P.4.
- Equipment must meet the specifications as set forth in the Program Application.
- For each site, there must be at least one meter that is, or will be on an eligible Commercial and Industrial rate schedule.
- Customers must be in good standing prior to Final Application being processed. A final check of account status will be completed for all applicants. If a customer is not in good standing, they will be advised that they have 30 days, from date of contact, to get account into good standing or the application will be cancelled.

P.4 PROJECT REQUIREMENTS

Project requirements for DTE Energy's Your Energy Savings Program include the following:

- Projects must involve a facility improvement that results in a reduction in electrical and/or gas energy usage (kWh and/or MCF), due to an increase in efficiency, for the life of the product.
- Project savings must be sustainable for a period of five years or for the life of the product, whichever is less.

Projects that are **NOT** eligible for an incentive include the following:

- Fuel switching (e.g., electric to gas or gas to electric or purchased steam to gas projects).
- Changes in operational and/or maintenance practices or simple control modifications that do not involve capital costs.
- On-site electricity generation.
- Projects that involve peak-shifting with no kWh savings.
- Projects involving renewable energy.

Any measures installed at a facility must be sustainable and provide 100 percent of the energy benefits as stated in the Application for a period of five (5) years or for the life of the product, whichever is less.

If the customer ceases to be a delivery service customer of DTE Energy, or removes the equipment or systems at any time during the 5-year period or the life of the product, the customer may be required to return a prorated amount of incentive funds to DTE Energy.

DTE Energy reserves the right to inspect proposed projects' pre- and post- equipment installation.

P.5 INCENTIVE CAPS AND LIMITS

Incentives are subject to limits in order to encourage equitable distribution of the funds among as many utility customers as possible.

P.5.1 Customer Limits

Program incentives are limited per facility, project and customer and per program year. A facility is defined as a building or complex of buildings, each with one or more DTE Energy utility meters, on a single property and for which a single customer is responsible for paying the DTE Energy utility (electric and/or gas) bill. A project is defined as a unique energy efficiency measure or set of measures implemented at a building in a single time span. A project may consist of prescriptive measures, custom measures, or a combination thereof. A separate invoice is required to support and identify each gas project. The customer is defined as the business entity, with a unique taxpayer ID number that is responsible for the DTE utility bill for one or more facilities.

Customers saving electricity may receive up to \$150,000 per facility per program year; the total customer cap (across all facilities saving electricity) is \$500,000 per program year. Customers saving gas may receive up to \$25,000 per project and \$100,000 per facility per program year. The total customer cap (of all projects saving gas) is \$100,000 per program year.

Table 5.1 Program Year Incentive Limits

	Electricity	Gas
Facility	\$150,000	\$100,000
Project	\$150,000	\$25,000
Customer	\$500,000	\$100,000

P.6 WHOLE BUILDING DESIGN APPROACH INCENTIVES

The DTE Energy's Your Energy Savings New Construction and Major Renovation Program offers an incentive option for new construction or major renovation projects that are pursuing integrated design and demonstrating high performance goals through energy simulation modeling. This performance modeling approach combines the interactive effects of all energy consuming systems.

When Performance Rating Method Modeling analysis demonstrates significant improvement in the proposed building design compared to a baseline building, the project becomes eligible to apply for incentives. Whole Building Design incentives begin at 10% better than baseline for project Owners. Incentive rates escalate for higher performance ratings.

Table 6.1 : Whole Building Design Incentive Rates

Energy Savings over Baseline	Incentive/kWh	Incentive/MCF
10% or greater, up to 20%,	\$0.08 per kWh	\$4.00 per MCF
Greater than 20%, up to 30%	\$0.10 per kWh	\$6.00 per MCF
Greater than 30% energy savings	\$0.12 per kWh	\$8.00 per MCF

These rates will be applied to eligible electric savings in kilowatt-hours (kWh) and applied to eligible natural gas savings in a thousand cubic feet of gas (MCF) to determine the project incentive. Owners must be customers of DTE Energy for both electric and natural gas to receive incentives based on kWh and MCF.

P.6.1 Whole Building Design Energy Modeling Standards

Baseline Standard

The standard baseline used by the program for new construction and major renovation projects is the American Society of Heating Refrigeration and Air-Conditioning Engineers (ASHRAE) Standard 90.1-2007 – Energy Standard for Buildings except Low-Rise Residential Buildings. Energy Efficiency is demonstrated by following ASHRAE 90.1 2007 Appendix G – Performance Rating Method (including errata; excluding addenda; without Exceptional Calculation methodologies) and comparing the proposed building design to the baseline building.

Savings Calculations:

Applicants must provide an energy simulation model utilizing software programs that estimate the annual energy savings. Simulation modeling using software capable of performance analysis on an hourly basis - including eQUEST, Trane Trace, Energy-Pro or DOE 2-based analysis software - is required. Other simulation modeling software may be used with prior program staff approval. Include all relevant data that will allow an engineer to duplicate the savings estimate provided, such as:

- Facility size
- Facility physical description and occupancy (including activities in building and hours of operation)
- Hours of operation of the affected equipment
- Ratings of equipment (wattage, nameplate, tonnage, voltage, etc.)
- Measure-by-measure summary of the calculated savings associated with the project

Describe the basis or rationale for each assumption and variable.

It is up to the Applicant to present a convincing case for how energy savings should be estimated. If it is unclear if your preferred method is sufficient, contact us at 866-796-0512.

Applicants must also be aware that the incentive estimates are not final until the equipment has been installed and DTE Energy Your Energy Savings Team has performed appropriate

verification activities. Verification activities may include an on-site inspection to verify equipment, and a thorough review of the energy model.

P.7 TECHNICAL ASSISTANCE INCENTIVES

To encourage design industry professionals to model and incorporate efficiency into their buildings, special design incentives are available for the initial design comparisons and building simulation modeling.

Incentives for the initial design and energy modeling are available up to \$3,000 or 50% of the cost, whichever is less. Payment of the modeling incentives will be broken down into two parts, the first half of the payment will be made upon the reservation of the project and incentives, and the remaining half will be paid upon completion of the project and implementation of the energy efficient design.

For payment, Applicants must provide the following items; a signed Final Application Agreement, a completed Technical Assistance Worksheet, a completed Performance Summary Worksheet, as well as certain reports from the energy modeling software.

P.8 SYSTEMS APPROACH INCENTIVES

P.8.1 Overview

An alternative to the Whole Building Design Approach is the Systems Approach, which is simpler, does not require whole-building models to be created, and encourages designers to optimize the energy efficiency of the individual systems within a building. The Systems Approach is most appropriate for less complex projects, those whose systems are designed at different times, and for projects where consideration for energy efficiency occurs late in the design phase. For common building types and system features, Your Energy Savings Program provides this straightforward approach to identify potential energy efficiency options and impacts. For the Systems Approach, simple spreadsheet tools are provided by Your Energy Savings to quickly estimate typical energy savings associated with recommended measures in a typical building, and to calculate corresponding incentives.

P.8.2 Available Measures

Measures available under the Systems Approach include:

- Unitary and Split Air Conditioning Systems
- Water Loop Heat Pumps
- Air-Cooled Chillers
- Water-Cooled Chillers
- Guestroom Energy Management Control
- Space Heating Boilers
- High Efficiency Furnaces or Rooftop Units
- Demand Controlled Ventilation
- Gas Water Heaters
- Gas Tankless Water Heaters
- Infrared Heaters
- Lighting Power Density

P.9 HOW TO APPLY

A Reservation Application is required for all New Construction and Major Renovation Incentive Applications. The Reservation Application step allows owners and design teams to submit their project's goals and performance targets for review prior to starting construction.

P.9.1 Detailed Participation Steps

Step 1. Verify Eligibility. Confirm that the project will be served by DTE Energy for electric and/or gas service when completed. Review the description of non-residential building types as defined by ASHRAE 90.1-2007 and in the Definitions P.11.

Step 2. Determine Your Approach. Incentives are available through "Whole Building" or "Systems" approaches. The specifics of your individual project will determine which approach is best suited for incentives. DTE Energy Your Energy Savings representatives are available to assist you in determining which program path (Whole Building Design Approach or Systems Approach) will optimize the energy efficiency and incentives for your project. A description of each approach is outlined below.

Step 2 a. Whole Building Design Approach. Conduct energy simulation modeling following the Performance Rating Method as stated in ASHRAE 90.1-2007 Appendix G. Complete the Performance Summary with required documentation specified on the sheet. For Whole Building Design Incentives, complete the Performance Summary requesting incentives based on savings determined by the Whole Building Model. For Technical Assistance Incentives, complete the Final/Technical Assistance Application Agreement requesting half of the Technical Assistance Incentive and the Technical Assistance Worksheet.

Step 2 b. Systems Approach Submission. Complete Lighting Power Density (LPD) and/or worksheets with New Construction/Major Renovation measures filled out and required documentation including items specified in Lighting Power Density and measure specifications.

Step 3. Obtain, Complete and Submit a Reservation Application. Obtain the New Construction and Major Renovation Application forms available on-line at dteenergy.com/saveenergy. Complete forms in the New Construction and Major Renovation Application including the Customer and Project Information sheets.

A completed, mailed, faxed, or emailed copy of the Reservation Application form initiates the review process. Reservation Applications are not a guarantee of program acceptance. DTE Energy will review applications for eligibility and completeness and provide a Reservation Letter when complete information required for program participation has been received. Funds that have been reserved for specific applications are not transferable to other projects, facilities/campuses, and/or customers.

The Reservation Application for Whole Building Design incentives must include a statement of performance goals. For measures within the Systems Approach sufficient information (quantities, etc.) must be provided to estimate the incentive amount.

Step 4. Incentive Reservation. When Program Staff determines that complete information has been provided and modeling standards have been followed where necessary, a Reservation Letter will be sent to the Owner specifying the amount of funds reserved. This Reservation Letter allows 18 months for construction completion. An extension may be granted when reasonable and appropriate documentation is submitted. When no changes in energy efficiency equipment occur during construction completion, the amount of the Incentive Reservation will be honored. Please note that a Reservation does not guarantee an incentive payment. Changes in the as-built project may lead to incentive level modifications.

Step 5. Obtain, Complete, and Submit a Final/Technical Assistance Application Agreement. Within 60 days of project completion submit a completed Final/Technical Assistance Application Agreement.

Step 5 a. For Whole Building Design Approach, complete the Performance Summary sheets reflecting the as-built performance with required documentation specified, and any additional paperwork to perform verification. For the second half of the Technical Assistance Incentive, complete the Final/Technical Assistance Application Agreement requesting the second half of the incentive. It is the responsibility of the Applicant to contact the Your Energy Savings Team if a project is delayed, substantially changed or cancelled. A customer signature is required on the Final/Technical Assistance Application Agreement before payment will be made.

Step 5 b. For the Systems Approach, complete the Final/Technical Assistance Application Agreement, updated worksheets and documentation reflecting the as-built performance, and any additional paperwork to perform verification.

Step 6. Program Verification and Final Review for Incentive Payment. The Your Energy Savings Program Staff will review the Final Application forms and the final project documentation. An on-site inspection will be performed. Please note that the actual incentive amount paid will be based on DTE Energy's review of the Final Application and supporting project documentation of equipment installed, and will be subject to program specifications, terms and conditions, and incentive caps. If changes from the proposed design's energy simulation are found, modifications to the incentive may be made (see Discrepancies). It is essential that the Applicant comply with all terms and conditions and ensure that the installed equipment meets the required specifications.

Step 7. Measurement & Verification. Some projects will be chosen for Measurement and Verification (M&V) independent from DTE Energy's Your Energy Savings Program purposes. If so, the customer will be contacted by a utility representative. M&V may include obtaining logged data on individual project components.

P.9.2 Discrepancies

If it is determined that there are significant changes between the Reservation Application submission and the energy efficiency equipment installed at the building, these discrepancies may lead to a modified incentive payment. Program Staff will revise incentive calculations due to the changes and notify the Customer and Design Team Leader of the changes. After a period of **20 calendar days**, if mitigating information has not been received by Program Staff, the

reduced incentive will be deemed final and payments made. If the Customer or Design Team Leader disputes the inspection results in a timely manner and additional clarification and information is available, DTE Energy's Program Staff will attempt in good faith to resolve such dispute promptly.

P.10 PAYMENT PROCESS

For New Construction and Major Renovation projects, the incentives paid by the DTE Energy's Your Energy Savings Program will be based on the per-kWh and/or per-MCF energy savings estimates demonstrated by the Whole Building Modeling Approach or the Systems Approach incentives identified in the Application.

Incentive payments will be sent within 4 to 6 weeks from the time that all the documentation is received and the field inspection is complete.

After Program Staff have determined the Final Incentive, payments will be paid directly to the DTE account holder or to a designated recipient when the Owner of the new building provides a current account number to confirm eligibility to receive incentives.

Technical Assistance Incentives associated with the Whole Building Modeling Approach will be paid at two different times. The first payment will be made upon Reservation, and the second payment will be upon completion of the project. Distribution of incentives between team members is the sole responsibility of the Customer or Design Team Leader.

P.11 DEFINITIONS

Baseline Building Performance: The annual energy consumption for a building designed based on ASHRAE 90.1-2007, Performance Rating Method Appendix G.

Building Systems: Service components of buildings that are grouped into categories. For example: interior lighting; exterior lighting; envelope including insulation, glazing, and exterior skin; mechanical including heat, cooling, and ventilation; process loads including unregulated loads for manufacturing processes, plug loads for temporary equipment, appliances, and free-standing machinery.

Customer: The utility customer-of-record who pays the bills for the principal account that is affected by the project. The primary criterion for determining the customer is the account name.

Design Team: Any member of a group of professionals, under contract to the customer or developer, tasked with providing the technical expertise and design planning for non-residential new construction buildings or major renovation of existing buildings. For example: architect; mechanical engineer; electrical engineer; lighting engineer; energy consultant; or other consultant.

Facility: A whole building being designed and constructed under one scope of work with the same team of design professionals. A facility is also defined as a customer at a single address having a contiguous property.

Final Application: The updated statement and supplemental information that is submitted after construction completion by the Applicant. The Final Application must include a signature and all appropriate backup documentation, including specification sheets.

Incentive: The financial amount to be paid to the customer and/or design team upon acceptance of final project documentation and completion of site verification by Program Staff that confirms no changes from Reservation Application submission.

LEED® aka Leadership in Energy and Environmental Design: A voluntary, green building rating system with third-party certification by the U.S. Green Building Council, which is a nationally accepted benchmark for the design, construction, and operation of high-performance green buildings.

New Construction and Major Renovation: For this program, New Construction and Major Renovation may include any one of the following: New building projects wherein no structure or site footprint presently exists; addition or expansion of an existing building or site footprint; or major tenant improvements that change the use of the space and/or add new load. If you have questions, please contact program staff for final eligibility approval.

Reservation Application: The initial completed Application and project plan detailing your project.

Program Year: The program year starts on Jan 1 and ends on December 31, of each calendar year. The Final Application must be fully complete and have an original signature of the customer. Final applications for payment must be received by December 15 of the current calendar year to be eligible for the respective calendar year incentives.

Simulation Modeling: Energy-efficiency performance simulation using interactive hourly analysis software - such as eQUEST, Trane Trace, Energy-Pro or other DOE 2-based analysis – utilizing a comparison to a baseline building as defined by ASHRAE 90.1-2007 Performance Rating Method Appendix G.

P.12 SATISFACTION

DTE Energy strives to ensure a high level of satisfaction with all aspects of the program. However, if any problems or concerns should arise, we encourage you to contact Your Energy Savings Program Hotline: 1.866.796.0512.

P.13 TAX IMPLICATIONS

Paid incentives that exceed \$600 are reported to the IRS on Form 1099. Incentive payments may have tax implications for businesses that receive them. The recipient is responsible for any and all tax payments that may result from an incentive payment. Participating businesses are encouraged to consult their accountant or tax experts to determine implications.

P.14 DISCLAIMER

DTE Energy does not guarantee the energy savings and does not make any warranties associated with the measures eligible for incentives under this program. DTE Energy has no obligations regarding and does not endorse or guarantee any claims, promises, work, or equipment made, performed, or furnished by any contractors or equipment vendors that sell or install any energy efficiency measures.

P.15 CONTACT INFORMATION

Program Hotline:	1-866-796-0512
Email Address:	YourEnergySavings@kema.com
Website:	dteenergy.com/saveenergy
Mailing Address:	Your Energy Savings P.O. Box 11289 Detroit, MI 48211
Fax:	1-877-607-0744