

**Consumers Energy  
Large Business  
Business Energy Efficiency Programs  
Policies and Procedures Manual  
January 2022**

## Table of Contents

P.1 PROGRAM OVERVIEW .....	2
P.1.1 Incentives.....	2
P.2 PROGRAM EFFECTIVE DATES .....	4
P.3 CUSTOMER ELIGIBILITY .....	4
P.4 PROJECT REQUIREMENTS .....	5
P.5 INCENTIVE CAPS AND LIMITS .....	6
P.5.1 Customer Limits .....	6
P.5.2 Prescriptive Measure Incentive Caps.....	7
P.5.3 Custom Project Incentive Caps.....	7
P.6 HAZARDOUS MATERIAL .....	7
P.7 EQUIPMENT SPECIFICATIONS .....	7
P.8 HOW TO APPLY.....	7
P.8.1 Pre-Notification Application.....	8
P.8.2 Detailed Program Steps .....	9
P.8.3 Discrepancies.....	10
P.8.4 Reservation Extension Process .....	11
P.8.5 Forms.....	12
P.9 PAYMENT PROCESS.....	12
P.10 DOCUMENTATION.....	13
P.11 GUIDELINES FOR CALCULATING AND DOCUMENTING ENERGY SAVINGS OF .....	14
CUSTOM MEASURES .....	14
P.11.1 General Custom Incentive Guidelines .....	15
P.11.2 Acceptable Calculation Methods .....	17
Equipment or Process Sub-Metering .....	18
Engineering Calculations .....	18
Whole Building Modeling Methods .....	19
P.11.3 Custom Mechanical Measures .....	19
P.11.4 Custom Building Envelope Measures.....	20
P.11.5 Custom Process and Refrigeration Measures .....	21

P.11.6 Unacceptable Documentation .....22

P.12 TRADE ALLY AND CONTRACTOR REQUIREMENTS .....23

    P.12.1 Trade Ally Application Criteria .....24

    P.12.2 Trade Ally Actions and Process .....24

    P.12.3 Contractor Actions and Process.....26

    P.12.4 Trade Ally Terms and Conditions.....30

P.14 SATISFACTION.....32

P.15 TAX IMPLICATIONS.....33

P.16 DISCLAIMER .....33

P.17 CONTACT INFORMATION .....33

**P.1 PROGRAM OVERVIEW**

The Consumers Energy Business Energy Efficiency Programs (CEBEEP) provide incentives for business customers who upgrade their facilities with energy efficient equipment. This incentive program is available to all customers who receive electric or natural gas delivery service from Consumers Energy. This document is intended to convey the rules, policies and procedures that govern the program, its administration and customer participation. It is an accompanying document to the CEBEEP Incentive Catalog and Incentive Application forms (PDF and Online Application).

Consumers Energy offers a comprehensive set of incentives under CEBEEP to facilitate the implementation of cost-effective energy efficiency improvements for business customers.

This document provides an overview of the various current calendar year program offerings provided by CEBEEP. The following sections provide detailed information on the actual measures and specific program details related to each of the various Incentive offerings for the current program year. Application forms for all programs are available on the Consumers Energy Business Energy Efficiency Programs website: [ConsumersEnergy.com/startsaving](http://ConsumersEnergy.com/startsaving).

**P.1.1 Incentives**

**Prescriptive Incentives** are available for energy-efficiency equipment upgrades and improvements including but not limited to:

- Lighting
- Lighting Controls
- VFDs

- Compressed Air
- Miscellaneous Electrical
- Manufacturing
- HVAC Equipment
- Domestic Water Heater
- Building Automation Systems
- Advanced Air Distribution and Energy Recovery
- Tune-Ups/Maintenance
- Kitchen/Laundry
- Refrigeration
- Building Envelope Insulation
- Pipe & Ductwork Insulation
- Agricultural
- LEED® Whole Building

Incentives are paid based on the quantity, size and efficiency of the equipment. Incentives are provided for qualified equipment commonly installed in a retrofit or equipment replacement situation but much of the equipment qualifies for new construction projects.

Incentives can be increased or decreased based on market demands at the discretion of the program staff.

**Custom Incentives** are available to customers for less common or more complex energy saving measures installed in qualified retrofit and equipment replacement projects. Custom measure incentives are paid based on the first-year energy (kWh or Mcf) savings. Projects where the measures are covered by the prescriptive incentive portion of the program are not eligible for a custom incentive. Applicants have the option to apply for a custom incentive for projects that involve an integrated solution with both prescriptive and custom measures.

**Other incentives** are available through the following programs:

- Small Business Energy Efficiency Program
- Business Instant Discount Program
- Building Operators Certification (BOC)
- Network Lighting Controls
- Buy Michigan Program
- Self-Direct Program

**Services** through CEBEEP also offer Incentives. Services include:

- Retro-Commissioning
- ENERGY STAR® Certification
- Industrial Energy Level 1 and Level 2 Audits
- Cooling Tower Assessments
- Process Water Audits
- Chiller Assessments
- Steam System Optimization
- Compressed Air Optimization

Bonuses can be added and removed at the discretion of the Program throughout the Program year. Communication will be sent describing bonus eligibility and what the bonus is based on incentives, per application or otherwise. The communication will also outline who will receive the bonus (e.g., the customer, contractor or other third-party individual, such as a sales representative or rebate administrator).

## **P.2 PROGRAM EFFECTIVE DATES**

The CEBEEP offers incentives for the current program year until approved funds are exhausted or until Nov. 30 of each program year, whichever comes first. The effective dates of the CEBEEP and application submittal requirements are as follows:

- All CEBEEP projects must be completed and Final Applications (described herein) received no later than Nov. 30 of the current year, to be eligible for the program incentives.
- Subsequent program year budgets and plans will be made available towards the end of the existing program year. At the current time, Consumers Energy intends to provide the CEBEEP through the current program year, per Public Act No. 342.

## **P.3 CUSTOMER ELIGIBILITY**

The following rules pertain to customer eligibility for the CEBEEP Program:

- This program is available to commercial and/or industrial customers of Consumers Energy. Qualified measures and projects must be installed at facilities served by Consumers Energy, and projects must result in an improvement in energy efficiency. Equipment must meet the specifications as explained in the 2022 Incentive Catalog and as set forth in the 2022 Incentive Application.

- For each site, there must be at least one meter that is on an eligible, non-residential rate schedule. A list of eligible, non-residential rate schedules can be found at [ConsumersEnergy.com](http://ConsumersEnergy.com).
- Common areas of multifamily or mixed-use buildings are eligible under CEBEEP, if on an eligible rate schedule. Consumers Energy also has a Multifamily Program for this business segment if not eligible under this program, it can be found here at [ConsumersMultifamilySavings.com](http://ConsumersMultifamilySavings.com).
- Customers cannot apply for nor receive incentives for the same product, equipment or service from more than one utility or one utility program. This limitation does not apply to project(s) performed by customers with natural gas and electric service from different utilities when the project(s) will result in both natural gas and electric savings.

## P.4 PROJECT REQUIREMENTS

The CEBEEP includes the following project requirements:

- Projects must involve a facility improvement that results in a permanent reduction in electrical and/or natural gas energy use (kWh and/or Mcf).
- Projects that are **NOT** eligible for an incentive include the following:
  - Fuel switching (e.g., electric to natural gas or natural gas to electric)<sup>1</sup>
  - Installation of used equipment
  - 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: i.e., geothermal, solar and/or wind
  - T12 Lighting retrofits to non-CEE T8 fluorescent lighting featuring 4' lamps
- 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 years or for the life of the product, whichever is less. Replacement of incentivized products prior to five years or the life of the products is allowable if the originally incentivized products are replaced/removed as part of another project featuring kWh or Mcf savings, and originally claimed savings are still occurring at the facility. If the customer ceases to be a delivery service customer of Consumers Energy or removes the equipment or systems at any time during the five-year period or the life of the product, the customer may be required to return a prorated amount of incentive funds to Consumers Energy.
- Consumers Energy reserves the right to inspect proposed projects pre- and post-equipment installation. Pre-applications submitted with insufficient time allowed for

---

<sup>1</sup> May be eligible under the self-direct program, if overall Btuh are reduced at that facility.

CEBEEP to perform a pre-inspection before beginning construction will result in a failed inspection and possibly result in a cancelled application.

- The CEBEEP team reserves the right to inspect all projects to verify compliance with the program rules and verify the accuracy of project documentation. This may include pre- and/or post- inspections, data collection and interviews. The customer must allow access to records and installation sites for a period of three years after receipt of incentive payment.

## **P.5 INCENTIVE CAPS AND LIMITS**

Incentives are subject to limits to encourage equitable distribution of the funds among as many utility customers as possible. Incentive caps are annual and are calculated based upon which program year the incentive is paid to the customer.

### **P.5.1 Customer Limits**

The amount of incentives a facility or customer can receive is limited. A facility is defined as contiguous property for which a single customer is responsible for paying the Consumers Energy electricity and/or natural gas bill. A customer is defined as the organization under which the company (or companies) are owned or operated, regardless of who is responsible for paying the bill. Program year incentive limits are per facility for customer incentives as shown in Table 5-1 below.

**Table 5-1: Program Year Incentive Limits**

<b>Facility Incentives</b>	<b>Cap per Program Year</b>
Prescriptive	100% of the installation cost
Custom	50% of the installation cost
<b>Customer Incentives</b>	<b>Cap per Program Year</b>
Natural Gas Customer Incentive Limit	\$1,000,000 across all facilities per customer
Electric Customer Incentive Limit	\$2,000,000 across all facilities per customer

The incentive limits are based on actual payments per facility and apply even if payments for some or all projects are paid to one or more contractors.

### **P.5.2 Prescriptive Measure Incentive Caps**

The amount of a prescriptive incentive cannot exceed 100% of the cost of the project. Project costs may include the labor necessary to install the measure, and costs related with the disposal of the removed equipment. Internal labor costs may not be included in the total project cost. The Customer is responsible for providing enough documentation to validate the measure costs. Manufacturer, vendor, distributor, trade ally or contractor provided incentives (credits, deductions, refunds, etc.) must be subtracted from the total installation costs.

Additionally, selected prescriptive incentives have limits and/or caps. Specific incentive caps are applied per measure, facility or project. These caps are specified in the current CEBEPP Incentive Catalog and Incentive Application.

### **P.5.3 Custom Project Incentive Caps**

For custom projects, project incentives cannot exceed 50% of the total custom project cost for purchasing and installing energy efficiency measures. The project cap applies to the whole project. Internal customer labor costs cannot be included in the total project cost. Consumers Energy reserves the right to apply this cap to individual custom incentives when incentive costs are greater than typical costs seen in this program.

## **P.6 HAZARDOUS MATERIAL**

All equipment must be recycled or disposed of according to state, federal and local regulations. Information about the requirements for the state of Michigan can be found at the Michigan Department of Environmental Quality website: <https://www.michigan.gov/egle/>. To simplify your recycling options and questions, guidance can be found at: <https://earth911.com/>

## **P.7 EQUIPMENT SPECIFICATIONS**

Detailed equipment specifications for Prescriptive Measures are found in the CEBEPP Program Incentive Catalog. All equipment specification requirements as listed in the Program Incentive Catalog must be met to be eligible for the associated measure incentive. Please refer to the catalog for details.

## **P.8 HOW TO APPLY**

The process of applying for an incentive under the CEBEPP Program is designed to be simple and to involve as few steps as possible. The program staff is available during



normal business hours to facilitate the application process. Visit Consumers Energy's website to apply with the PDF application or online application at:

**Online Application:** [Consumersenergy.com/easyapp](https://www.consumersenergy.com/easyapp) or  
**PDF:** [Application](#)

### **P.8.1 Pre-Notification Application**

Funding is limited, and Pre-Notification Applications are not a guarantee of program acceptance. Pre-notification is **strongly encouraged** for all participants to confirm proposed equipment eligibility, pre-approve incentive levels and to reserve funding. Pre-Notification Applications are **required** to be eligible for incentives for certain measures. Pre-Notification Applications must be submitted prior to the installation of the proposed equipment. Please reference the current program year CE BEEP Incentive Application for details on which measures **require** pre-notification.

Pre-notification commits funds for a specific project based on the following criteria:

- Measures are completely installed within 90 days of project pre-notification approval from Consumers Energy.
- Customer has committed to commence work on the proposed measures within 30 days of project approval<sup>2</sup>. It is the responsibility of the applicant to contact the CE BEEP Team if a project is delayed, substantially changed or cancelled.
- An estimated completion date of the project must be included in the Pre-Notification application.
- Funds that have been pre-approved for specific applications are not transferable to other projects, facilities/campuses and/or customers.
- Complete the online application or complete the PDF Pre-Notification Application by faxing or emailing it, this initiates the review process.
- Funding reservations are only committed to a given project when the project details have all been approved. All missing information required to estimate incentives and energy savings must be submitted upon request.
- The Pre-Notification Application for prescriptive incentives must include enough information (equipment specifications, quantities, etc.) to estimate the incentive amount.
- The Pre-Notification Application for custom incentives must include an estimate of the annual energy savings, as well as enough descriptive information, including

---

<sup>2</sup> The CE BEEP Team reserves the right to contact the customer after the 30-day period has expired to ensure that the project is moving forward. The commitment may be cancelled if progress toward installation is not demonstrated.

equipment performance data, operating schedules, load profiles, assumptions and calculations and other information to support the energy savings estimates.

## **P.8.2 Detailed Program Steps**

**Step 1. Eligibility Check.** Verify that your project is eligible and meets the project requirements as set forth for customer eligibility ([Section P.3](#)), project requirements ([Section P.4](#)) and incentive caps and limits ([Section P.5](#)).

**Step 2. Obtain, Complete and Submit a Pre-Notification Incentive Application.** Obtain a hard copy or access the CEBEEP Incentive Application form online at [ConsumersEnergy.com/startsaving](http://ConsumersEnergy.com/startsaving). Or, utilize the online application at [ConsumersEnergy.com/easyapp](http://ConsumersEnergy.com/easyapp). Complete all the required information as stated.

- Pre-Notification is strongly recommended for all projects. Contractors may complete the form on behalf of their customers, but all the customer information and a customer contact name must be provided.
- Applications received with missing documents or information are categorized as incomplete and will not be considered received or processed until all required information is submitted.
- Upon approval of the pre-notification, *incentive funds will be secured for up to 90 days*. A pre-inspection may be required.
- *For projects requiring pre-notification, work should not begin until the customer receives a reservation letter from the CEBEEP team.*

**Step 3. Project Installation.** Install the equipment or systems within 90 days of reservation.

**Step 4. Assemble Required Documentation.** *Assemble the required documentation of project completion and costs, and (for custom projects) documentation of energy savings within 60 days of project completion.* Obtain copies of the purchase orders or work order, statement of work, equipment specifications, and product model numbers, labor and materials cost should be shown separately. The documents should clearly indicate the equipment quantities and performance that is indicated in the Incentive Application. If the project equipment is included on several invoices it will be helpful if the Applicant prepares a summary sheet that itemizes the equipment and shows how the quantities on the application match those in the application.

**Step 5. Obtain, Complete and Submit a Final Application.** Complete the Final application from the Online Application: [ConsumersEnergy.com/easyapp](http://ConsumersEnergy.com/easyapp), if you completed your Pre-Notification using the Online Application, use that same project as your final by completing or updating any outstanding fields. Another option is to obtain

a hard copy or complete the Final Application form from the CE BEEP website: [ConsumersEnergy.com/startssaving](https://ConsumersEnergy.com/startssaving). Please note that the Final Application form is the same as the Pre-Notification Application form. If a Pre-Notification Application was submitted, be sure to correct any incomplete or incorrect information and check the “Final Application” box under the Incentive Application type section. Also include and sign the Final Application Agreement page within the application. For Final Applications, sign and submit only after all equipment has been installed. A customer signature is required for payment. Applications received with missing documents or information are categorized as incomplete and will not be considered received or processed until all required information is submitted.

**Final Applications must be received within 90 days after reservation date or 60 days after completion of the project – whichever is less. Final applications submitted after the deadline may not be eligible for incentives.**

**Step 6. Final Application Review.** The CE BEEP Staff will review the Final Application and the final project documentation. A post-inspection may be required for verification purposes. Please note that the actual incentive amount paid will be based on review of the Final Application and supporting project documentation of equipment installed, and will be subject to the program specifications, and terms and conditions in the application agreement. It is essential that the applicant comply with all terms and conditions and ensure that the equipment installed meets the required specifications. Equipment specifications and program terms and conditions can be found in the program application at [ConsumersEnergy.com/startssaving](https://ConsumersEnergy.com/startssaving). **Please note that a reservation does not guarantee an incentive.** Multiple projects and reservations for projects at the same premise or customer may be subject to an annual cap. Incentive payment will be sent within six to eight weeks from the time that all the documentation is received, and the field inspection is complete.

**Step 7. Measurement and Verification.** Some projects will be chosen for independent measurement and verification (M&V) purposes. If so, the customer will be contacted by a utility representative. M&V may include obtaining logged data on individual project components.

### **P.8.3 Discrepancies**

If it is determined that there are discrepancies between the Incentive Application and Consumers Energy’s on-site analysis, the CE BEEP staff will contact the customer to review these differences. This provides an opportunity for the customer and/or contractor to dispute the inspection results. After a period of **10 calendar days**, if the

customer and/or contractor has not contacted CEBEEP staff to discuss the inspection results, the revised incentive levels will be deemed final. If the customer and/or contractor disputes the inspection results, Consumers Energy's representatives and the customer and/or contractor shall thereupon attempt in good faith to resolve such dispute promptly.

If the project scope has changed or Final Application funding request differs from the Pre-Notification Application reserved funding amount, the project will be reviewed considering fund availability. Additional funding above the reserved amount can be paid providing funds are available.

On occasion, an application may be received by CEBEEP that is of a sizable enough scale that verifying certain aspects of the project is extraordinarily difficult. In these instances, program staff will take all reasonable measures available to validate the exact scope of the project as best as possible. However, if the scope prohibits such exactness from being determined, an estimation will be determined as a substitute. For these types of projects, CEBEEP staff will cross-check certain areas of the facility with any documentation the customer and/or contractor may be able to provide that shows the scale of the project (floorplans, etc.), while also performing a more general walkthrough for the remaining areas to ensure the scope on the application is feasible. An example of where this may occur is a lighting project where hundreds of fixtures throughout a facility will be replaced with hundreds of new fixtures and the inspector has determined it not feasible to count every fixture and verify the wattage/type of every fixture in the facility.

#### **P.8.4 Reservation Extension Process**

If the customer receives approval to move forward with a project but will need more than 90 days to complete the project, the customer may provide proof the project is progressing toward completion and request an extension of the reservation. Consumers Energy may grant a 30-day extension after reviewing project details. The granting or denying of the extension request is within the sole discretion of Consumers Energy.

If a customer receives one extension and it appears the project will not be completed until after the first extension has expired, the customer may provide additional proof the project is progressing toward completion and request a second 30-day extension. Consumers Energy may grant a second 30-day extension after reviewing project details. At the end of the second extension, the customer must provide the Final

Application, along with all required final documentation. Consumers Energy will not grant subsequent reservation extensions.

### **P.8.5 Forms**

The CEBEEP Incentive Application (online or PDF version) acts as both a Pre-Notification Application form as well as a Final Application form.

If submitting a Pre-Notification Application via the PDF, mail, fax or email the completed application and associated worksheets to the CEBEEP team for pre-notification and the reservation of funds. Contact information can be found at the end of this document ([Section P.16](#)) or submit your Pre-Notification and supporting documentation via the Online Application.

To request payment for a completed project, submit the same forms. The Final Application must be fully completed and returned with a customer signature before incentives will be paid. The Final Application must also include all necessary final documentation such as paid, itemized invoices and/or receipts, cut sheets and commissioning (operation) reports ([Section P.10](#)). Applications received with missing documents or information are categorized as incomplete and will not be considered received or processed until all required information is submitted.

**Please note:** Consumers Energy reserves the right to conduct both pre- and post-inspections of all projects.

## **P.9 PAYMENT PROCESS**

The CEBEEP **incentive will be paid directly to customers OR to a third party recipient.\*** Please indicate the exact name of the designated payee and the appropriate tax ID number on the customer information page of the Incentive Application, or on the payment release authorization section on the Final Application agreement page if it is a third-party recipient. If a contractor or third-party is to be paid directly, be sure to provide the customer signature on the Third Party Payment Release authorization section on the Final Application agreement page, as well as the payee's tax ID number. **Incentives cannot be paid unless the tax ID number is supplied. The tax ID number must match the payee's W9 form.**

**\*Except in the case where contractor is in probationary status. In such case, the incentive check will be paid directly to the customer.**

## **P.10 DOCUMENTATION**

For prescriptive measures, the required final project documentation includes detailed invoices listing specific equipment model numbers and quantities purchased. Copies of invoices should be indicated as “paid”, and itemized with the costs for equipment, labor, supplies and other costs.

The location or business name on the invoice should be consistent with the application information. Invoices must be dated within 60 days of the Final Application submittal. Invoice must include customer signature on final cost page and must match customer signature on Final Application.

Applicants may be asked to provide more detailed information on the equipment location to aid in the pre- and/or post- inspection process. Documents that indicate the performance factors that are used as a basis for the incentive must also be submitted with the Final Application. This includes, but is not limited to, the following:

- Manufacturer’s product literature
- Product brochures
- Cut sheets
- Floor plans and installation plans
- Affidavit for specific requirements

If the documented capacity or performance differs from the performance in the Pre-Notification Application, the incentive will be adjusted accordingly. Failure to provide the documentation will delay the payment process and may result in no incentive payment.

Rebranding LED lighting products do not qualify for an incentive unless the rebranded light is listed by DesignLights Consortium® (DLC®) or ENERGY STAR® under its rebranded name. Both the manufacturer and model number must match on the lamp/fixture, invoice, specification sheet and DLC/ENERGY STAR® listing. DLC allows rebranding of currently listed products through an alternative organization name under the Private Label Application. Some of the criteria to qualify are that products must be currently DLC listed and include a parent product to be eligible. The original equipment manufacturer (OEM) will be required to sign the application, as well. For measure specific requirements, see the current year's Program Catalog. For the application and full list of requirements, [click here](#).

LED lighting products that are not listed with DLC and/or ENERGY STAR may be approved on a per-product basis if the product conforms to the requirements to be listed by either DLC or ENERGY STAR. To submit non-listed lighting products for

consideration, submit the Non-DLC and Non-ENERGY STAR Product Approval Form. To download the form, [click here](#).

For custom measures, final documentation may include plans or specifications for the equipment or systems that are modified, paid invoices, equipment specification sheets or other information indicating performance over the full range of operation, documentation of operating schedule and loading profiles, commissioning reports, production schedules, weatherization estimations or other documentation required by the CEBEEP engineering staff. Power or other operating measurements or monitoring may be required for verification of calculated energy savings prior to approval of incentive payments. [See Section P.11](#) for guidelines on calculating and documenting energy savings of custom measures.

All Final Applications must be fully complete with final documentation and include the signature of the customer and, if applicable, the designated third party recipient of the incentive. Applications must be received by **Nov. 30, 2022** to apply for the 2022 program.

## **P.11 GUIDELINES FOR CALCULATING AND DOCUMENTING ENERGY SAVINGS OF CUSTOM MEASURES**

The incentives for CEBEEP's custom projects are based on the calculated annual kilowatt-hour (kWh) or Mcf savings. To be accepted as a basis for the incentive, the savings calculations must be developed using acceptable engineering calculation techniques and/or metered data supported by site-specific operating and equipment performance documentation. Applicants must also be aware that the incentive estimates are not final until after the measures have been installed and Consumers Energy has performed various measurement and verification (M&V) activities. The final incentive payment may be different from the reserved amount if the post-retrofit system operation or performance does not reflect the assumptions used to set the reserve amount.

The guidelines provide suggestions for submitting project documentation to ensure the project qualifies as a CEBEEP custom measure and the savings estimates, and incentive applied for are realized. This section provides information to assist in calculating/measuring energy savings associated with the project.

The analyses methods and documentation details are recommendations and not requirements. These guidelines should assist expediting the review of the project by helping to meet the program requirements and complete energy savings calculations.

Before submitting the application as a custom project, check if the measures are available as part of our prescriptive program and, if so, submit them on the prescriptive Incentive Application. Before beginning the savings estimate, identify the project payback period. Consumers Energy will confirm that the measure life of the application exceeds the project payback period. Both factors will determine if the measure is eligible for the program and identify the applicable incentive. If there is any concern on qualifying for the program, contact the program team for assistance.

For certain projects, in addition to energy savings calculations, the program may require measurement and verification (M&V) to qualify for an incentive. We encourage custom incentive applicants to review the International Performance Measurement and Verification Protocol (IPMVP) (<https://evo-world.org/en/>) and review documents available through a web search on "Measurement and Verification" for good discussion of the concepts behind project performance measurement. Any operational data available to support the energy use claims for the project can help validate your savings calculations, therefore provided with your application. For assistance in identifying appropriate M&V procedures, contact the program team.

The following sections discuss general guidelines for project submittals. It is recommended that the applicant contacts the CEBEEP team when preparing a custom application to discuss the data and documentation requirements, M&V requirements and savings estimation approach.

### **P.11.1 General Custom Incentive Guidelines**

Consumer Energy Business Energy Efficiency Programs offer custom incentives for those eligible improvements not included in the prescriptive measure list. Custom measures result in a reduction in electric and/or natural gas energy use because of **an improvement in system efficiency** (i.e. a net decrease in energy use without a reduction in the level of service). For example, installing a lower wattage lamp in place of a higher wattage lamp of the same type will not qualify for an incentive. However, should the lighting system (e.g., lamp, ballast and fixture) demonstrably improve the total lumens per watt delivered, an incentive will be considered. For example, improved per widget production while keeping the same or less energy use for the system would be considered for an incentive. The decision as to whether an improvement is eligible for a custom incentive is within the sole discretion of Consumers Energy.

Examples of custom measures include, but are not limited to, the following:

- Process improvements



- Process exhaust heat recovery
- Variable-speed control on motors (greater than 250 HP)
- Upgrade of a refrigeration compressor
- Complex air compressor improvements
- Tank insulation
- Boiler blowdown heat recovery

Incentives for custom measures are based on the electrical and/or natural gas energy savings that result from the energy efficiency measure installation and are calculated from the first year's kWh or Mcf savings. The applicant must provide enough descriptive information, equipment performance data, operating assumptions and measurements and calculations to support the energy savings estimates.

The payback period must be between one and eight years. The total calculated incentives cannot exceed half of the measure cost, as described in [Section P.5](#).

Payback period is calculated with the following equation:

*Simple Payback Period = Measure Cost / [(Annual kWh Saved x Electricity Rate) + (Annual Mcf Saved x Natural Gas Rate)]*

To estimate the first-year energy (kWh or Mcf) savings for retrofit projects, calculate the difference between the pre-retrofit or "base case" system energy (kWh or Mcf) use and the post-retrofit or "efficient case" system kWh or Mcf energy use. First, define and describe the base case and efficient case system and operating conditions. The kWh and Mcf savings calculations can be done in several ways. It depends on the specific measure that is installed and the percentage of the total use that the savings represents.

There are general requirements that are common to all custom projects as listed below:

- Concise project description: describe BOTH the existing (pre-retrofit or "base case") system and the proposed (post-retrofit or "efficient case") system. Be as precise, yet concise as possible in the descriptions — include specific quantities and equipment descriptions.
- Provide the quantity, make, model number and rated capacity of BOTH the existing and the new equipment that is being installed. Also provide other nameplate information like operating voltage and rated full load amps where appropriate. **The scope of work from the proposal to the customer is often helpful to describe the new equipment.**

- Provide copies of the manufacturer's specification sheets and/or performance rating sheets and the website address where further technical information about the equipment performance might be found.
- Identify equipment using the terminology or numbering system used by the customer (e.g. install a VFD on process pumps #3, 5, 7, 8, 9").
- Provide copies of sketches, drawings, equipment lists or inventories that help to clarify the scope.
- Describe the locations where the equipment is installed.
- Describe BOTH the facility operating hours and the equipment operating schedule for each day of the week. Where equipment operation varies with days of the week or seasons, be sure to provide a description of the operation for all days of the week and all seasons.
- Describe equipment load conditions for the hours the equipment typically operates.
- Annotate all assumptions or constants used in engineering calculations.
- Provide the name of the person(s) conducting the savings calculations so that the CEBEEP staff can discuss any questions.
- Use accepted engineering algorithms and procedures from recognized technical organizations such as ASHRAE, SMACNA, ANSI, etc.
- Use rated performance factors tested under accepted procedures specified by recognized rating agencies such as AHRI, AGA, ANSI, ASTM, etc. Provide an explanation when equipment performance rating conditions vary from standard conditions.
- Provide expected measure life.

### **P.11.2 Acceptable Calculation Methods**

A list of acceptable energy savings calculation approaches follows. Each of the methods will be discussed in more detail as they apply to categories of measures in the following sections:

#### **Whole Building Metering**

For some projects, where the savings are a significant fraction (10% or more) of the total monthly (or annual) kWh or Mcf use, a "bills before, minus bills after" approach may be used. This approach assumes that conditions are identical before and after the project, such as building occupancy levels or operating hours. Usually, a regression must be included in this approach to adjust for uncontrolled variables, such as weather.

- If a whole system or building model is used, be sure to provide enough documentation or annotation so that the differences in inputs between the base case and high-efficiency case can be understood and verified by the reviewers.

- Models that do not reflect the actual systems and their operation (i.e. defaults are used instead of building-specific equipment) are not acceptable.
- Whole building models should be calibrated to actual energy use (electric or natural gas bills) and use typical weather data, such as TMY<sup>3</sup> for weather calibration.
- Production data and hours of operation may be required to confirm consistent use of the facility space for the time studied.

### **Equipment or Process Sub-Metering**

When measures are installed that affect large individual systems or sets of equipment (for example an air-compressor, chiller, process blower or injection molding machine), submetering may be the best way to document the savings. This may require the installation of temporary portable monitoring equipment that measures and records the equipment's power use/demand at short intervals over several days or weeks. When sub-metering is used, a method must be developed to extrapolate the savings for the measurement period to a full year of operation. Component sub-metering may often include observation of other variables such as outside air temperature, operating hours or production quantities during the measurement period to allow for this extrapolation. Sub-metering equipment will be provided when available and applicable, with the customer's certified electrician being solely responsible for installation.

### **Engineering Calculations**

For measures with impacts over several smaller systems, sub-metering may be prohibitive. For these measures, an engineering calculation method is probably the preferred method to document savings. For most equipment types and efficiency measures there are well established engineering procedures and several public domain component or equipment performance models that are available to calculate pre- and post- energy use. One common modeling method is the "bin-method" in which the equipment pre- and post- energy requirements are identified for several fractional load "bins" (i.e. 25%, 50%, 75% and 100% load or temperature range bins) and the pre- and post- equipment performance in each load or temperature bin is applied to the loads and hours that the system operates in the bin over the year.

---

<sup>3</sup> Typical Meteorological Year (TMY) is a data set of hourly values of solar radiation and meteorological elements for a one-year period. The intended use of TMY data is for computer simulations of solar energy conversion systems and building systems to facilitate performance comparisons of different system types, configurations, and locations in the United States and its territories. TMY data represents typical rather than extreme conditions and is not suited for designing systems to meet the worst-case conditions occurring at a location. Definition adapted from the National Solar Radiation Data Base, link: <https://nsrdb.nrel.gov/about/tmy.html> accessed, Nov. 30, 2020.

## **Whole Building Modeling Methods**

For measures that have building-wide impacts or impacts across several systems, engineering modeling using generally accepted public domain software is acceptable to document savings. When using any model, the applicant must provide both the base case and post-case input files and annotate the files to clearly show how the differences between the pre- and post- retrofit systems are being simulated. Initial savings estimates that are submitted based on manufacturers' proprietary performance models may be acceptable for initial estimates of savings but additional information and actual on-site operating data or measurements verifying the model assumptions will usually be required to confirm the final savings. Applicants who expect to use modeling to estimate savings as a basis for the incentive should contact the program staff early in the project development process.

The following sections describe how these basic savings estimation principles and submittal requirements may apply to certain project types or technologies.

### **P.11.3 Custom Mechanical Measures**

Note that some of the most common mechanical measures are included in the list of prescriptive measures. These measures, including HVAC chiller or packaged AC unit replacement and variable frequency drives (VFDs or VSDs) for HVAC motors should be applied for under the prescriptive application. Common custom measures that may be applied for under the Custom HVAC Category might include:

- Process (exhaust) heat recovery
- Variable Frequency Drive on motors greater than 250 HP
- Tank insulation

Most (but not all) HVAC system measures are weather-dependent. As such, the preferred methods of estimating energy savings are building or system models that integrate local weather conditions with system loads and performance or "temperature bin" models. This section includes several acceptable methods for providing the savings analysis for HVAC measures. In all cases, it is important to document the pre- and post- retrofit conditions thoroughly. For most projects, the analysis will need to be calibrated and adjusted to reflect the weather variances, occupancy variations or internal load changes.

The following techniques may be employed for calculating project savings:

- Building models that are publicly available and well-documented, such as eQUEST, Energy Plus and DOE2 are recommended for measures with building-wide or system interactive effects. Proprietary vendor programs such as Trane Trace, Carrier HAP etc. may be accepted with appropriate documentation. Without adequate documentation, these models cannot be utilized and offer little confidence in the results<sup>4</sup>.
- ASHRAE-based simplified calculation methodologies including the “bin method” are usually useful to estimate the savings of many weather-dependent strategies such as economizer systems (water and air), heat recovery, ventilation control or even VAV conversions. These methods can be calculated in a spreadsheet format so that the underlying assumptions can be easily followed. In many cases for retrofit projects the existing building energy use and energy use patterns can provide the basis for calibration for these methods.
- Simple spreadsheet analysis may be used for certain stand-alone retrofits such as carbon monoxide sensors for parking garages.
- For certain projects, a monitoring/metering approach may be the best means to document savings. The applicant should remember that it is simpler to verify the post-case, but it is the base case condition that requires documentation for program verification. Be sure to consider pre-project measurements when planning a future project. The following are some suggestion parameters for measuring pre- and post- retrofit:
  - Power (kW), energy (kWh), natural gas use (Mcf)
  - Air flow rate (cfm), temperatures (°F), fluid flow rate (gpm)
  - Building activity (people, hours, etc.)
  - Outdoor temperatures and humidity (however, may be available from other sources)

#### **P.11.4 Custom Building Envelope Measures**

Common custom measures that may be applied for under this category include:

- Window treatments such as external or internal shading
- Door or window opening treatments that reduce infiltration

Accurately estimating envelope improvement measure energy savings is often difficult because their impacts involve a high degree of system and interactive effects. The best

---

<sup>4</sup> The Saving Solutions review team may attempt to duplicate savings estimates using other tools and must be provided enough information to do so.

way to estimate the impacts of envelope treatments is to use a whole building model as described in the previous section. The models described provide the opportunity to describe the pre- and post- retrofit insulation and surface characteristics and perform an acceptable task of including all interactive system effects.

However, the development of a whole building model to estimate the savings for envelope improvements is often not practical. There are several simplified degree-days or weather-based “bin analysis” methods that are sufficient in estimating the impacts of these measures. These methods are described in detail in ASHRAE’s compendium of Handbooks. ASHRAE’s guidelines combined with local weather data files will provide most of the information and calculation procedures necessary to estimate savings resulting from building envelope measures. Some of the more common methodologies have been put into a spreadsheet format and are available commercially online. The Department of Energy and some states have supported the development of analytical tools that are useful in isolating the savings for various envelope improvements such as the Cool Roof Rating Council (<https://coolroofs.org/>) tool. It is useful in estimating the impacts of roof insulation and treatments. The performance characteristics and properties of various coatings and materials are also provided.

### ***P.11.5 Custom Process and Refrigeration Measures***

Some typical measures that may fall in this category are:

- “Tower-free cooling” for process cooling (e.g. plate and frame heat exchanger, closed-loop tower or “glycooler”)
- Higher efficiency or improved-control process equipment
- Upgrade of a refrigeration compressor
- Process improvements
- Process control improvements

There are several methods that can be used to document energy savings for process measures. Nearly all process measures will require some degree of monitoring or measurements or hourly log observations to establish the load profile for the equipment, the energy use and the savings, which are then extrapolated to a full year period. In all cases, it is important to consider any seasonal, weekly or monthly variations in operation.

- **Short-term pre- and post- retrofit measurements extrapolated by production.** Energy use for process systems can often (but not always) is related to production output. One method to document annual savings is to compare the pre- and post -retrofit

systems over a representative production period (which may include multiple shifts) and then extrapolate the results to a full year. The method is as follows:

- Determine the pre-retrofit system kWh per unit of production per shift/production run/equipment cycles, as appropriate.
  - Determine the post-retrofit kWh per unit of production per shift/production run/equipment cycles, as appropriate.
  - Adjust the baseline using the post-retrofit production levels.
  - Extrapolate to a full year by multiplying the difference by the annual production.
- **Short-term measurements extrapolated by shifts or operating time.** In some cases, the energy use does not relate to production, but to equipment operating time or availability instead. In this case the savings are like the above except the time in days or number of shifts is the factor used to extrapolate the savings to the full year.
  - **Short-term monitoring extrapolated to a year.** A short term pre- and post- monitoring period of a week or two can be carried out and the results extrapolated to a full year based on time. The difference is then multiplied by the ratio of annual hours to the monitored hours.
  - **Post-retrofit energy monitoring and calculated base case energy, extrapolated to a full year.** This method is useful when the performance or efficiency of the base case equipment is known, but the load profile was not monitored prior to the project. This method often applies to compressed air systems or large refrigeration systems. In this case, the post retrofit system power and output (cfm or tons) is measured for a period of a week or more. The base case power for the same period is then calculated by multiplying the output by the base case equipment performance. The savings are then extrapolated to a full year by extrapolating based on the projected loading pattern.

### **P.11.6 Unacceptable Documentation**

This section lists methods that are not acceptable for calculating the energy savings for custom measures.

- Vendor-specific or proprietary analysis software will not be accepted unless the methods used are available for review and the input parameters are specific to the site.
- Simple percent of total kWh or Mcf savings or percent of end use energy savings are not acceptable.

- Factors or percentages of savings achieved at other sites are not acceptable as documentation for custom savings unless there is an extensive body of statistically valid results.
- Using rules of thumb estimates for calculating savings is not acceptable.
- Marketing materials from the manufacturer or distributor, their company's case studies or savings claims based on non-standardized methods are not acceptable. For example, a manufacturer or distributor product savings claim that is not or was not verified by a certified third party will not be accepted.
- For intermittently operating equipment, the hours of operation must be documented in some fashion – either from logs, elapsed time meters or daily observation of occupancy hours. If documentation is not provided, very conservative estimates must be used.
- Spot measurements as documentation of power or energy use are typically not acceptable for variable load equipment.
- Measuring electrical current can often be used as a proxy for true power (kW) measurements EXCEPT for systems where the power factor may vary significantly and often in variable speed drive situations (where the voltage may vary as well as the amperage). Contact the CEBEEP Team to verify monitoring needs where VSDs are installed.

## P.12 TRADE ALLY AND CONTRACTOR REQUIREMENTS

The process of applying for an incentive under the Consumers Energy Business Energy Efficiency Program (CEBEEP) is designed to be simple and to involve as few steps as possible. The program staff is available during normal business hours to facilitate the application process.

CEBEEP defines the following entities as follows:

- A customer is defined as a business customer who receives electric and/or natural gas delivery service from Consumers Energy and who is upgrading their facilities with eligible energy efficient measures.
- A contractor is defined as either the installer, general contractor, A&E firm or supplier of qualifying equipment.
- A Trade Ally is a contractor in good standing with CEBEEP whose approved application has allowed them to register with CEBEEP.
- **A contractor deemed ineligible is banned from participating with CEBEEP, in any form.**



### **P.12.1 Trade Ally Application Criteria**

A Trade Ally is the highest valued partner to CEBEEP. They are the first to receive information about program changes, receive direct one-on-one communications with CEBEEP outreach, their feedback (both positive and negative) helps shape program direction and may receive financial bonuses and recognition for performance.

#### **To become a Trade Ally, a contractor needs to:**

- Contact the CEBEEP to be assigned to a Territory Energy Advisor.
- Schedule a training session with your assigned Energy Advisor to go over program details and application process.
- Submit an initial Incentive Application.
- Once an initial incentive application is paid, submit your Trade Ally Application for approval.

#### **Restrictions:**

- Applicant must be either an installer, general contractor, A&E firm or supplier of qualifying equipment to be eligible as a registered Trade Ally.
- Use of the Consumers Energy logo is strictly prohibited without the express written approval of Consumers Energy, including but not limited to marketing materials, websites and business cards.
- Co-branding is allowed but only through the application and approval of the Preferred Trade Ally Marketing Kit, found [here](#). If guidelines are not met, it will result in the removal or suspension ([Section P. 12.2](#)) as a registered Trade Ally and loss of co-branding rights.
- The use of the term “partner” is not allowed under the CEBEEP.
- Any instances of individuals or companies representing themselves as a Consumers Energy employee will result in the removal or suspension as a registered Trade Ally.
- Contractor not in good standing or ineligible contractors cannot become Trade Allies.

### **P.12.2 Trade Ally Actions and Process**

CEBEEP has found the use of Trade Allies to be a powerful method of leveraging resources to obtain cost-effective energy-efficiency improvements for utility customers. This approach has served all participants well and has historically produced results with a high level of customer satisfaction. At the same time, it is important to keep in mind that a poorly performing Trade Ally may create obstacles for valued customers, as well as the entire program. Therefore, it is important to maintain oversight and mitigate any

difficulties as rapidly as possible. In some instances, actions may be required to ensure program quality and success.

### **Maintaining Trade Ally Status:**

To remain a CEBEEP Trade Ally in good standing, a Trade Ally must complete at least one paid project per program year and the Trade Ally must comply with all guidelines and requirements as stated in this Program Policies and Procedures Manual, for respected programs. Failure to do so may lead to removal as a registered Trade Ally, probation, or in severe circumstances, removal from the CEBEEP completely.

### **Criteria for Losing Trade Ally Status:**

A Trade Ally is expected to be an ambassador of the program and subject to lose its Trade Ally status for any of the concerns listed in the Contractor's Criteria for Removal in the following section.

### **Disciplinary Process for Trade Allies:**

- i. Upon identification of an issue or concern, CEBEEP will communicate the concerns to the Trade Ally as soon as is practicable or once all evidence or facts have been obtained. Communication will be by phone and/or in-person, followed by documentation sent to the Trade Ally via standard mail and/or email. For highly severe concerns, the written document may be delivered by program staff.
- ii. CEBEEP will create a written record, a copy of which will be placed in the Trade Ally's or contractor's file and/or the program database.
- iii. CEBEEP will discuss potential resolutions with the Trade Ally and will be available for meetings with the Trade Ally to resolve the concern(s).
- iv. If a satisfactory resolution cannot be achieved or the concern is repeated on additional applications, the Trade Ally will lose its status as Trade Ally and CEBEEP will categorize them as a "Contractor". A formal letter will be sent to a contractor. Ramifications of removal includes, but are not limited to:
  - (1) Termination of Trade Ally status, including removal from the online Trade Ally directory.
  - (2) Restriction from using Trade Ally designation in communications, marketing materials and advertisements.
  - (3) Removal from the Trade Ally Performance Reward program, cobranding and any other bonuses or financial offerings provided to Trade Allies in good standing.
  - (4) Disallowing access to the Online Application.

- (5) Removal or disallowing of any additional offerings provided only to Trade Allies in good standing.

**Possibility of re-instatement of Trade Allies:**

In its sole discretion, CEBEEP may consider reinstating the contractor to status of Trade Ally on a case-by-case basis, generally after a period of not less than twelve (12) months from receipt of the expulsion letter. However, only very rare circumstances will justify re-instatement for a former Trade Ally who was removed for a highly severe concern.

**P.12.3 Contractor Actions and Process**

Not all contractors will become Trade Allies, but contractors are still an important aspect to the success of CEBEEP to obtain cost-effective energy-efficiency improvements for utility customers. At the same time, it is important to keep in mind that poorly performing contractors may create obstacles for valued customers, as well as the entire program. Therefore, it is important to maintain oversight and mitigate any difficulties as rapidly as possible. In some instances, actions may be required to ensure program quality and success.

**Permits and Municipal Inspection**

It is the customer's and/or the contractor's responsibility to adhere to local codes and ordinances. It is their sole responsibility to acquire all necessary permits and required inspections by the local government.

**Criteria for removal:**

A contractor will be subject to complete removal from the program based on the severity of the concern, or an accumulation of frequent, less severe concerns. We classify these concerns as non-compliance with Program Rules. These concerns are listed as follows:

- i) **Highly severe concern.** Items that may result in financial, legal and/or other risks to the CEBEEP and/or Consumers Energy customers. The following are considered highly severe concerns and may lead to immediate removal from the program:
  - (1) Fraud or misrepresentation on the part of the contractor, including submitting a Final Application that requests an incentive payment on projects where installation has not started or forging or inserting customer signatures without prior written permission on the Final Application Agreement.
  - (2) Refusal to honor warranties.
  - (3) Violations of Michigan or local laws; for example, those concerning hazardous waste disposal.

- ii) **Severe concern.** Items where customer satisfaction may be negatively impacted if not addressed. The CEBEEP will give the contractor a reasonable time limit to resolve the issue. If the issue is not resolved satisfactorily, or is repeated on applications thereafter, the contractor may be removed from the Program. The following are considered severe concerns:
- (1) Providing inaccurate information resulting in a significant overstatement of requested incentives (greater than 50%).
  - (2) Three (3) failed final inspections within two program years. A failed inspection is defined as an inspection where a project file incentive is reduced by more than 15% on either a pre-application or a final application.
  - (3) Failure to resolve failed inspection items or customer complaints within fourteen (14) calendar days.
  - (4) Installations that do not meet program specifications and installation standards.
  - (5) Receipt of two or more customer complaints within a program year.
  - (6) Incorrectly modeled building resulting in a requested incentive greater than 15% of the project's eligible incentive.
  - (7) Substituting and installing different products that do not comply with program rules after qualifying products were submitted and approved by the program during the pre-review process.
  - (8) Using the incentive as leverage against the customer (i.e. refusing to submit the final application until the customer fully pays all construction costs).
- iii) **Administrative/cumulative concern.** Items where a contractor fails to adhere to stated Policies and Procedures and/or reasonable standards of professional conduct, which may not be widely visible to the customer. These situations will be monitored, and the contractor will be put on probation, meaning that further disregard for program policies and procedures or standards of professional conduct may result in contractor status removal. Examples include:
- (1) More than once, submitting incomplete or incorrect documentation that leads to file inaccuracies and/or delayed processing time.
  - (2) Requesting incentives on material or products that do not meet program requirements.
  - (3) One (1) failed final inspection. A failed inspection is defined as an inspection where a project file incentive is reduced by more than 15%.
  - (4) Submitting a pre-application for a measure requiring pre-notification after the project has already been completed.

Contractors who have had current or ongoing program concerns (as set forth in the above items i, ii and iii) in the past 12 months are not eligible for Trade Ally status.

## **Disciplinary Process:**

### **i) Emailed/Phone Warning:**

- (1) Upon identification of an issue or concern, the CEBEEP will communicate the concerns to the contractor as soon as is practicable or once all relevant evidence or facts have been obtained. Communication will be by email, phone and/or in-person, followed by documentation sent to the contractor via standard mail and/or email. For highly severe concerns, the written document may be delivered by program staff to confirm proof of receipt.
- (2) CEBEEP will create a written record, a copy of which will be placed in the contractor's file and/or the program database.

### **ii) In-Person/Written Warning:**

- (1) If the issues or concerns continue, the contractor will be requested to meet with CEBEEP staff to discuss the issues or concerns in person.
- (2) This meeting will be followed up by a Non-Compliance documentation sent to the contractor via standard mail and/or email.
- (3) If the contractor is unable to schedule and attend a meeting in a timely manner (within 14 calendar days of the initial request), written documentation will be sent to the Contractor via standard mail and/or email and the in-person meeting will not be necessary.

### **iii) Probationary Status**

- (1) If a satisfactory resolution cannot be achieved or the concern is repeated on additional applications, the Contractor will be put on a probationary status. Ramifications of being placed on a probationary status includes, but are not limited to:
  - (a) The Customer will be notified that the contractor they have selected is on a probationary status with CEBEEP.
  - (b) One hundred percent pre- and post- inspections by CEBEEP on all files.
  - (c) Disallowing access to the Online Application.
  - (d) Disallowing access to zero percent Michigan Saves Financing. The contractor will still be able to utilize Michigan financing, but only at the standard Michigan Saves financing rates.
  - (e) Disallowing the contractor to be designated as payee (third party check), where applicable.
  - (f) Disallowing custom incentives. While the contractor is on a probationary status, it is only allowed to request prescriptive incentives. On a case-by-case basis, if CEBEEP considers the proposed technology sound and already well proven through independent third parties (i.e.: Lawrence

Berkeley National Laboratory), CEBEPP may consider reviewing the custom pre-application; otherwise, custom pre-applications will be cancelled upon receipt.

- (2) In its sole discretion, CEBEPP may consider removing a contractor from a probationary status on a case-by-case basis, generally after a period of not less than 12 months from receipt of the probationary letter.
- (3) CEBEPP will create a written record, a copy of which will be placed in the contractor's file and/or the program database.

#### **iv) Complete Removal**

- (1) If while on a probationary status, a satisfactory resolution cannot be achieved or the concern is repeated on additional applications, the contractor will be removed from the program and banned from participating in any part of CEBEPP. Such contractors will be deemed "ineligible contractors".
- (2) Ineligible contractor status also extends to any of the contractor's affiliates.
- (3) Ramifications of being an ineligible contractor who is banned from participating in the program includes, but are not limited to:
  - (a) Completely removed from the entire CEBEPP's Commercial and Industrial (C&I) portfolio, including applying for or receiving incentives for energy efficient projects, including those installed on the customer's behalf; participating in other service offerings, Pilots or the Small Business program.
  - (b) Pre-applications under review by CEBEPP will be cancelled.
  - (c) Applications in CEBEPP's waitlist status will be cancelled.
  - (d) Final Applications whose CEBEPP incentive funding has already been reserved will be maintained for the normal 90 days; no extensions will be granted. Reservations lasting longer than 90 days will be cancelled.
  - (e) Final Application received prior to the contractor deemed ineligible, will be honored; however, CEBEPP will 100% final inspect all projects and will only correspond directly with the customer. Incentive amount will only be paid directly to the customer; no third-party checks.
  - (f) Applications that are received for projects that involve the banned or ineligible contractor either as the installer, general contractor, A&E firm or supplier of qualifying equipment, will be cancelled.
- (4) In its sole discretion, the CEBEPP may consider reinstating a contractor on a case by case basis, generally after a period of not less than 18 months from receipt of the expulsion letter. However, only very rare circumstances will justify re-instatement for a former contractor for who was removed for a highly severe concern.

- (5) CEBEEP will create a written record, a copy of which will be placed in the contractor's file and/or the program database.

### **P.12.4 Trade Ally Terms and Conditions**

1. If approved as a Consumers Energy Business Energy Efficiency Programs Trade Ally, the Trade Ally shall offer and provide services to Consumers Energy's customers in accordance with the terms and conditions of the Consumers Energy Business Energy Efficiency Programs as set forth below and as may be changed by Consumers Energy from time to time, in its sole discretion.
2. Trade Ally must comply with all CEBEEP guidelines and requirements promulgated by Consumers Energy and its designees (collectively, the CEBEEP team) to remain a Consumers Energy Business Energy Efficiency Programs registered Trade Ally in good standing.
3. Trade Ally is not a contractor, subcontractor or agent of Consumers Energy. Consumers Energy shall have no liability for claims of any kind, whether based on contract, tort (including negligence and strict liability) or otherwise, for any loss or damage sustained or incurred by any third party relating to this Trade Ally application or the performance of services or participation by Trade Ally in the Program. Trade Ally hereby releases Consumers Energy from all liability for such claims. Trade Ally shall, to the fullest extent permitted by law, indemnify, defend and hold harmless Consumers Energy and its affiliates, and their respective officers, directors, agents, employees and representatives from and against any and all losses, claims, damages, expenses (including attorneys' fees and costs) and liabilities arising out of or based upon property damage or bodily injury to any person caused by or related to the performance of the services or participation by Trade Ally in the Program.
4. Except as otherwise permitted herein, Trade Ally shall not refer to Consumers Energy or any company affiliated with Consumers Energy in any advertising or other publication in connection with Trade Ally's participation in the Program or work performed by Trade Ally under the Program, without the prior written approval of Consumers Energy. Except as otherwise permitted herein, Trade Ally shall not, either directly or indirectly, publish or disclose any photographs, images, logos, copyrighted or trademark protected information of Consumers Energy or its affiliates; or use such information for the benefit of itself or any other person or entity without the prior written consent of Consumers Energy.

5. Trade Ally acknowledges and agrees that Trade Ally's participation in the Program is in no way to be construed as an endorsement by Consumers Energy of Trade Ally's work.
6. Information completed in the "Company Information", "Services", Market Segments and Service Territory sections of this application will be the information included in the Trade Ally directory. Consumers Energy provides the Trade Ally directory, a list of Consumers Energy Business Energy Efficiency Programs Trade Allies, for informational purposes only. Consumers Energy makes no warranty of any kind whatsoever, including, without limitation, the warranty of merchantability or fitness for purpose. Under no circumstances will Consumers Energy be liable for indirect, special, consequential, punitive or exemplary damages.

## **P.13 DEFINITIONS**

**BEF:** Ballast Efficacy Factor

**Btu/h:** British Thermal Units per hour

**CEE®:** Consortium of Energy Efficiency®

**CFL:** Compact Fluorescent Lamp

**COP:** Co-efficient of Performance

**Customer:** The customer is the organization under which the company (or companies) are owned or operated, regardless of who is responsible for paying the bill.

**DLC:** DesignLights Consortium®

**EER:** Energy Efficiency Ratio

**Facility:** The primary criterion for determining the extent of a site is necessary for the incentive cap. A facility is defined as a customer at a single address having contiguous property.

**Final Application:** Once the project has been completed, the applicant is to submit a copy of the Application form with any information not completed in the Pre-Notification Application. The Final Application must include a signature and all appropriate backup documentation, including detailed invoices.

**IPLV:** Integrated Part Load Value

**LED:** Light-emitting Diode

**Incentive:** The incentive is the amount to be paid to the customer or contractor once the final project documentation has been approved.

**MLPW:** Mean Lumens per Watt



**Pre-Notification:** Pre-Notification is the process of informing the program team of your project plans for pre-notification based on customer eligibility and project requirements. Pre-Notification is **required** for all custom projects, for prescriptive projects with incentives for HVAC energy management systems, electrically commutated motor replacement, all permanent lamp removal and the fluorescent T8 or T5 new fixture measures.

**PTAC:** Package Terminal Air Conditioner

**Program Year:** The program year starts on Dec. 1 and ends on Nov. 30

**THD:** Total Harmonic Distortion

## **P.14 SATISFACTION**

Consumers 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 CEBEEP by phone: 877-607-0737.

If you have questions that the hotline staff cannot answer, they can provide you with the appropriate contact information or other resources to help answer your questions.

Customer complaints or comments documentation process:

- The customer's name, address and phone number
- The name of the employee receiving the complaint
- The date and time of the complaint and of its resolution
- The nature of the complaint
- The agreed upon solution, whether it was implemented on the spot, and if not when it was promised
- What steps are currently being implemented?
- The date and time of follow up to ensure the customer is satisfied
- Any compensation given to the customer
- Suggestions on how the problem can be avoided in the future
- Send the documentation to your manager

EMI performs evaluation of the CEBEEP and communicates with customers and Trade Allies throughout the year to obtain scoring and feedback for Consumers Energy and the program implementation staff. The CEBEEP staff serve on the Customer Satisfaction Panel and monitor and review EMI results and customer program information. The following is the mission of the Customer Satisfaction Panel for 2022 and future years.

The purpose of this committee is to increase interdepartmental processes and communications while implementing strategies to increase the customer satisfaction experience.

## **P.15 TAX IMPLICATIONS**

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

## **P.16 DISCLAIMER**

Consumers Energy does not guarantee the energy savings and does not make any warranties associated with the measures eligible for incentives under this program. Consumers 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.17 CONTACT INFORMATION**

Program Hotline: 877-607-0737  
Fax: 877-607-0738  
Email Address: [ConsumersEnergyBusinessSolutions@cmsenergy.com](mailto:ConsumersEnergyBusinessSolutions@cmsenergy.com)  
Website: [ConsumersEnergy.com/startsaving](http://ConsumersEnergy.com/startsaving)  
Mailing Address: Consumers Energy Business Energy Efficiency Programs  
P.O. Box 1040  
Okemos, MI 48805