

# OG&E Schools and Government Efficiency Program Manual

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## PROGRAM OVERVIEW

### Program Description

The Schools and Government Efficiency (SAGE) Program is offered to governments, government-owned institutions, and public /private education entities that are customers of Oklahoma Gas & Electric Company (OG&E). Designed to help facility supervisors who want to operate their sites more efficiently, the SAGE Program outlines the technical and financial benefits of investing in energy efficiency and developing a plan to make energy efficient improvements to applicable facilities. By enrolling in the program, one will be referred to as a program participant (participant), and receive technical and energy-related assistance to help make decisions about cost-effective investments in facility energy efficiency.

Under this program, participants are eligible for financial incentives connected to a variety of energy efficient measures. Additional benefits that may be available include energy benchmarking, energy master planning, technical assistance, and communications support. In general, the program does not prescribe technologies or end-uses to participants, but instead provides a framework through which one can receive incentives for implementing and installing a wide range of measures.

### Program Objectives

The program is designed to drive cost-effective energy efficiency in the marketplace while minimizing the impact of market barriers to implementation of energy efficiency. Some objectives are inherent to transforming the energy efficiency market, while others are benefits that are offered to facilities and facility management. The SAGE Program is designed to:

- Overcome barriers that hinder the implementation of energy efficiency projects
- Provide energy efficiency information and enhance awareness of energy and non-energy benefits
- Ease budget constraints that typically rule out energy efficient technologies and associated higher “first costs”
- Improve understanding about potential payback for installed energy efficiency projects.
- Enhance awareness of, and technical assistance for, energy-efficient technologies
- Provide assistance to help customers address energy efficiency at all major end-uses.
- Address needs to avoid any lost opportunities within a facility
- Promote cost-effective energy efficiency projects that maximize the net benefit to both customers and OG&E
- Accumulate a list of qualified vendors and installers (trade allies) participating in the program to facilitate access by Participants to such resources
- Provide adequate evaluation, measurement and verification (EEM&V) resources to support the implementation of energy efficiency projects
- Transform the market through training, education and the implementation of the program to make energy efficiency a primary consideration for customers
- Identify and support the implementation of cost-effective and comprehensive energy savings projects for OG&E customers in order to meet annual energy savings goals
- Leverage cash incentives to assist in implementing cost-effective projects under the program
- Develop a strategic plan for the implementation of multiple phased projects

## PROGRAM MANAGEMENT & CONTACT

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## PROGRAM ROLES & RESPONSIBILITIES

### Program Sponsor: OG&E

Website: [www.OGE.com](http://www.OGE.com)

- Provides all funding for the energy efficiency program and the program incentives
- Manages the energy efficiency programs and oversees implementation

### Program Evaluator: ADM

- Provides oversight of program implementation to verify that savings claimed in the program is correct, valid and adequately documented
- May perform post-retrofit on-site inspections, measurements, or phone conversations to collect data for program savings verification
- Provides updates to program calculation methodologies through annual TRM updates
- Surveys program participants to determine if program implementation is meeting their needs and expectations
- Surveys customers to determine if program outreach is adequately informing the market of the energy efficiency program opportunities

### Program Implementer: CLEARResult

- Performs outreach and education about the energy efficiency program
- Provides energy efficiency assistance to program participants (at no cost). For example, benchmarking and energy master planning services.
- Assists program participants and trade allies with program documentation
- Performs all required on-site inspections and documentation
- Provides calculations on energy savings potential for identified projects
- Assists in evaluation of financial metrics for energy efficiency projects (payback, ROI, etc.)
- Processes and delivers incentive checks for successful projects

### Program Participant: OG&E Customer

*To participate in the program, Participants must:*

- Execute the participation agreement
- Contact CLEARResult to schedule a facility assessment and/or engage in benchmarking and energy master planning services
- Submit a project application to reserve incentives for qualifying energy efficiency projects
- Exert best efforts to approve, fund, install, and report projects before the end of program year
- Contact CLEARResult when projects are completed and allow staff to perform a post-inspection
- Provide access to CLEARResult staff (as well as QA/QC Evaluator staff) to facilities both before and after project completion for inspection of the baseline and post-retrofit condition as required

**Trade Ally:**

*To participate in the program as a trade ally, the trade ally must:*

- Complete the trade ally agreement
- Complete required training(s) and adhere to program guidelines set out in this program manual
- Provide verification of adequate insurance coverage and w9
- Work with CLEAResult staff to take advantage of program marketing materials and technical assistance
- When developing a possible energy efficiency project, work with CLEAResult staff to verify customer eligibility and assist in the development of project scope for the identified energy efficiency measures for which the trade ally may be responsible
- Share adequate project information with program staff on proposed projects to allow the calculation of energy savings and incentives for the program participant
- Review the pre-inspection data and confirm that CLEAResult has included the proposed project scope correctly in that communication
- Install eligible energy efficiency measures and submit appropriate documentation as requested
- Perform all work to the required standards of the program

## PROGRAM ELIGIBILITY

### Participant Eligibility

Any local public and/or private entity customer (e.g., k-12 schools, higher education and municipalities) that receives retail electric service from OG&E is eligible for the SAGE Program. Organizations with multiple locations are thereby considered a single customer, regardless of how many OG&E account numbers they may have. However, projects will be separated by utility account number for reporting purposes to OG&E.

### Trade Ally Participation and Eligibility

Trade allies are members of various trades that meet all program qualifications and standards (listed below). Trade allies are eligible to participate in the program and will have their company name on a list of eligible trade allies that will be distributed. Trade allies may continue to participate in the program as long as they remain in compliance with all program requirements.

To participate, trade allies must sign a trade ally agreement and receive training as required by the program guidelines. Additional training will be provided as needed in order to ensure the proficiency of the trade ally. The level of trade ally participation (i.e., number and type of completed projects in which the trade ally has been involved) will be included on the trade ally list to be considered when selecting appropriate trade allies for projects. Details on the training, tools and performance are listed below:

**Technical Requirements for the Trade Ally include:**

- Understanding of basic building science principles, and
- Completion of program-required best practices training(s).

**Business Requirements for the Trade Ally are:**

- Demonstrate the capability to conduct business successfully by providing ONE of the following:
- Satisfactory Dun and Bradstreet Rating, or
- Specific evidence of business capacity including at least two of the following:
  - A satisfactory banking reference
  - A minimum of three satisfactory professional/trade references, such as suppliers of materials, tools, credit
  - Confirmation that the principals in the business have a satisfactory individual credit score with no outstanding liens or judgments

**Tools Required for Trade Ally:**

- Participating trade allies own, use and maintain all tools used so that all materials may be installed to manufacturer specifications

**Quality Performance Requirements for Trade Ally:**

The trade ally, upon request from CLEAResult, and at no additional cost to the participant, shall make reasonable repairs or corrections to work that the trade ally has performed to bring such work up to the program standards. The repairs or corrections are to be completed within the timeframe specified by CLEAResult. The trade ally also agrees to take steps to ensure that future work will comply with the program standards.

**Trade Ally Documentation Confidentiality**

Trade allies should note that this program is in place to drive energy efficiency in the OG&E service territory. Any program documentation collected for a proposed project within the OG&E programs will be treated with care and will not be shared with anyone except the participant for whom it was developed. All information submitted is considered the property of the program participant, and will be shared with that customer upon request unless that documentation is clearly labeled as confidential on each page of the documentation. All confidential information so labeled will be verified with the provider prior to sharing with the program participant.

## **PROGRAM INCENTIVES AND MEASURES**

### **Incentives by Measure**

A measure, for the purposes of calculating incentives, is considered to be a single proposed energy efficiency improvement, at either a single facility or multiple facilities. A project is considered to be a planned set of measures for a single participant (at either a single facility or multiple facilities) as listed on the project application. Both new construction and retrofit projects are eligible for incentives under this program. The combined total project(s) for a single participant should target to meet a minimum of 25,000 kWh of annual savings to qualify for incentives.

All measures within a project must be confirmed in the pre-installation inspection report and meet the following requirements:

- Must result in a measurable and verifiable reduction in energy usage (kWh)
- Must produce energy savings through an increase in energy efficiency
- Must be cost effective as defined by OG&E and CLEAResult
- New equipment must exceed minimum equipment efficiency standards
- Must not develop any savings as a result of fuel switching
- Measures should target to meet at least 10,000 kWh of annual savings

Any government or municipal customer with a combined peak demand of 250kW or more will be qualified under CLEAResult’s Large C&I Program.

The incentive rates for this program have been designed to encourage comprehensive projects at each location. There are multiple incentive rates available depending on the type of measure to be installed. Below is a quick and easy reference guide to the varying incentive rates and the associated measures.

Deemed Savings Measures	Performance Based (\$/kWh)
HVAC - DX Retrofit	\$0.06
HVAC - DX New Construction	\$0.09
Chiller Retrofit	\$0.09
Chiller New Construction	\$0.09
VFDs	\$0.09
Energy Star Cool Roof	\$0.09
LED Lighting Retrofit	\$0.12
Lighting New Construction	\$0.12
Linear Fluorescent Retrofit w/ Delamp	\$0.12
Vending Misers	\$0.09
Door Heater Controls	\$0.09
ECM Evaporator Fan	\$0.09
Electronic Defrost Controls	\$0.09
Solid Door Reach Ins	\$0.09
Cooler Door Gaskets	\$0.09
Lighting Controls	\$0.12
Lodging Occupancy Controls	\$0.09

Custom Measures	Performance Based (\$/kWh)
Custom Measures	\$0.09

## Measure Descriptions

Measure Type	Measure Description
Lighting Retrofit	Lighting retrofit projects replace existing lighting systems with more efficient lighting systems. A variety of high efficiency fixtures, ballasts, and lamps produce equivalent light levels as previous technologies while consuming less energy.
	For instance, T8 fluorescent lamps and electronic ballasts can be replaced with more efficient lighting systems such as LEDs. Metal halides may be replaced with systems such as T5 fluorescent lamps with electronic ballasts, compact fluorescents, or LEDs.
	There are a variety of lamp and ballast combinations that are eligible for this Program depending on the current technology installed at a facility.
Lighting Controls	Automatic lighting controls save energy by turning off or dimming lights at times when they are not necessary. Many different varieties of sensors are available including passive infrared (PIR), dual-technology, integral occupancy sensors, photocells, which can be coupled with a variety of control strategies including day lighting controls, occupancy controls timer controls, and time clocks.
	For certain conditions, light reduction and automatic controls are mandatory for new construction and affected retrofit projects.
Exterior Lighting	Energy saving opportunities applies to both improved lighting performance and enhanced control strategies. For example, retrofitting less efficient HID technologies with LED lighting and occupancy-based technology are good candidates for exterior applications.
HVAC Replacement	Eligible units for replacement include small split systems and single package air conditioners and heat pumps.
Chiller Replacement	Chillers are commonly used to provide cooling for a variety of building types and process loads. The most common applications are for larger cooling loads (e.g., 50 to 100 tons and greater).
	This measure applies to the replacement of air-cooled and water-cooled chillers with more energy efficient chillers.
HVAC Controls	HVAC controls are eligible in the OG&E Programs when no other controls previously exist or where existing controls can be modified or improved to provide measurable energy savings. Controls can be installed on building HVAC systems or central plant equipment to help control common operating parameters such as temperature, humidity, chilled water temperature, etcetera for more effective use of the HVAC system.
VFD Motor Drives	A Variable Frequency Drive controls the rotational speed of an electric motor by controlling the frequency of the electrical power supplied to the motor. VFD's allow for soft starts and can be optimized to better match system loads, reducing stress and improving the motor life. VFDs work well when used with systems that have motors that can operate at lower speeds. The installation of VFD's that show measurable energy savings are eligible under the Program
Improved Building Design (New Construction Only)	Incentives are given to buildings that are built above and beyond the required energy codes. These measures will be incentivized as a part of the individual measure type (lighting, lighting controls, HVAC, etc.) as listed below for the purposes of qualifying for tiered incentives, and are not separate measures from retrofits of similar technology.
	For instance, if a Participant is installing a lighting retrofit at one facility and is building a new facility with a qualifying lighting project, all of the lighting measures are considered one lighting measure for the purposes of calculating tiered incentives.
Refrigeration	There are a number of refrigeration measures that are eligible for upgrades or replacement in OG&E Programs:
	<ul style="list-style-type: none"> <li>Evaporator fans upgrades to EC Motors</li> </ul>

	<ul style="list-style-type: none"> <li>• Evaporator fan controls</li> <li>• Anti-sweat heater controls</li> <li>• Refrigerated door gaskets and strip curtains</li> <li>• Night covers</li> </ul>
Kitchen and Plumbing Upgrades	There are a number of kitchen measures that are eligible for upgrades or replacement:
	<ul style="list-style-type: none"> <li>• Energy efficient dishwasher</li> <li>• High efficiency electric combination ovens</li> <li>• High efficiency fryers</li> <li>• ENERGY STAR® steam cookers</li> </ul>
Direct Install	There are a number of measures that are eligible for upgrades or replacement at NO COST:
	<ul style="list-style-type: none"> <li>• Low flow pre-rinse spray valves</li> <li>• Low flow faucet aerators</li> <li>• Low flow shower heads</li> <li>• Compact fluorescent lamps (CFLs)</li> <li>• Vending machine controls (Vending Miser)</li> <li>• Weather Stripping</li> </ul>
Waste Water Treatment Plant (WWTP) Fans/Blower Retrofits	These measures are ideal for aeration blowers that are greater than 100 HP and have no VFD controls. The replacement must be a single-stage centrifugal aeration blower with automatic dissolved oxygen controls to be a cost-effective project.
Waste Water Treatment Plant (WWTP)	There are a variety of energy efficiency upgrades that can be implemented on pumps at WWTP's. Retrofits can be completed on pumps that are centrifugal pumps, do not have VFD or stop controls, total nameplate HP is greater than 100 HP, and operating hours greater than 3,000 hours/year. Retrofit options include the installation of VFD's, start/stop controls, throttle valves, and bypass controls.
Personal Computer Power Management (PCPM)	Personal computer power management uses computer software to turn off the power or switch of the computer and monitors systems to a low-power state when inactive. This method of energy efficiency is highly attractive to both cities and schools where a significant amount of computers exist.

### Incentive Basis

Financial incentives received through the program will be based on a project's total annual kWh reduction as determined pursuant to this program manual. Savings will be calculated using one of several savings approaches. Customers will need to select a trade ally or other service provider to actually install the measure(s) within the project. CLEAResult will assist in selecting and implementing an appropriate savings measurement and verification plan (including installing field monitoring equipment where applicable).

Customers may submit suggested measures, along with a suggested EEM&V approach, to CLEAResult. Note that any such approach must include adequate calculations or monitoring to justify savings as determined by CLEAResult in order for the measures to be considered for incentives under the SAGE program.

- Deemed or Stipulated Savings: deemed savings are standardized savings values or simple formulas for a range of measures in representative building types. This approach is suitable for a variety of projects where energy savings may be estimated to a reasonable degree of accuracy without additional EM&V. Variables such as operating hours and energy consumption of existing equipment are assumed in these cases according to previously gathered field data. For example, lighting installed by the program qualifies for a deemed savings approach, meaning that estimated energy consumption savings are determined without additional testing. Engineered savings calculations may be acceptable on a case-by-case basis subject to program approval.
- EM&V Option A (“Retrofit Isolation: Key Parameter Measurement”): for an option A project, the main aspect that affect energy use is measured, usually with data logging equipment. Example: pump VFD installation.
- EM&V Option B (“Retrofit Isolation: All Parameter Measurement”): for an option B project, all aspects that affect energy use are measured. Typically, the actual energy use of the system is logged. All parameters that affect energy use, such as temperature of an HVAC system or occupancy, must be measured. For example, a project where installed equipment will have substantial interactive affects may require the use of this EM&V option.
- EM&V Option C (“Whole Facility: Bill Analysis”): When savings are expected to be more than 10 percent of the whole building’s energy use, Option C can be used. This option involves collecting at least a year’s worth of utility bills or sub-meter data for a facility. Example: Retro-commissioning of a facility, involving numerous operational and control changes that have complex interactions.
- EM&V Option D (“Whole Facility: Calibrated Simulation”): Option D is for new construction buildings or major retrofits. Instead of measuring energy use, the facility is modeled with building modeling software like eQUEST. Example: new construction project involving numerous efficiency improvements that have complex interactions.

The methodologies for savings measurement and verification described above differ in terms of detail and rigor; some are chosen based upon the predictability of equipment operation, availability of evaluation data from previous programs, and benefits of the chosen measurement and verification approach relative to its cost. Ultimately, CLEAResult has the discretion to choose or confirm the EM&V option that shall be utilized for any given project(s).

Case Studies for both lighting and mechanical projects are available upon request.

## NON-CASH BENEFITS OF THE PROGRAM

**A number of non-cash benefits are available, including:**

During an energy assessment, the participating trade ally and/or CLEAResult will identify opportunities to install energy saving devices with customer permission. These devices provide customers with instant energy savings and are installed at NO COST. Please note that some of these measures are only available for installation at sites where customers have electric water heaters. These direct install measures include pre-rinse spray valves, faucet aerators, LEDs, vending misers, and weather stripping.

**Energy Performance Benchmarking** – CLEAResult benchmarks any current energy usage using the U.S. EPA's ENERGY STAR® Portfolio Manager® tool. This tool provides a rating for the performance of buildings on a scale of one to 100 relative to similar buildings. Other benchmarking metrics include cost per occupant, cost per square foot, etc.

**Energy Master Planning** – CLEAResult will provide each participant with training and guidance for developing their own Energy Master Plan (EMP). EMPs are designed to overcome entrenched institutional problems by preempting them before they occur and replacing them with better procedures that help eliminate practices that may be viewed as counterproductive to energy efficiency (such as installing low- first-cost systems).

**Continuous Energy Improvement** – Utilize CLEAResult's national support services to implement a behavioral management service, which can drastically reduce a districts energy consumption through no-cost measures.

**Technical Support** – CLEAResult will provide technical support to help assess and evaluate various energy efficiency upgrades to determine which projects are estimated to be optimal in terms of life-cycle costs. Once potential projects are identified, a project application must be completed and submitted to indicate an intention to complete a project and reserve an incentive. CLEAResult will provide the application form as well as assistance in completing the form.

**Education** – If participants choose to fund their upgrades with traditional funding sources, the SAGE Program also offers resources that could educate senior decision makers on how to leverage outside sources of funds through performance contracts, lease-purchase agreements, and third-party financing.

**Recognition** – CLEAResult may provide news releases and other communications support to whom it may concern, which are designed to inform each community about the steps being taken to improve the energy performance of facilities, reduce operating costs, and using budget dollars more efficiently.

## PARTICIPATION PROCESS

The program is designed to encourage trade allies to recruit participants from OG&E key accounts, past program participants and trade ally references. After a project has been identified, a thorough scope of work should be submitted. CLEAResult will schedule a pre-installation inspection of relevant facilities, as needed, for purposes of confirming the information that is submitted in this scope of work. Upon a satisfactory pre-inspection, CLEAResult will create incentive calculations and provide an incentive report for review. After passing a preliminary engineer review, CLEAResult will deliver a project application encompassing the scope of work and anticipated incentive amount to the participant.

Once the participant has selected the project(s) to implement and funding has been secured, the program will help fill out the technical sections of the project application to reserve incentive funding.

After completing the project, CLEAResult will schedule necessary post-installation inspections and request incentives for the participant.

Program metrics are subject to annual review based on regulatory requirements, independent evaluation and verification, and other circumstances outside the control of the program. CLEAResult and OG&E reporting requirements and other documentation could change based upon this review.

After completing the project and receiving incentives, one may be contacted by an independent evaluator to verify information gathered by the program and/or to review on-site equipment installation. Participants/trade allies may be contacted by this independent third party evaluator in the year immediately following the year of participation for the purposes of project verification and evaluation.

### Project Application Process

For purposes of this program, a project is defined by a set of proposed energy savings measures included in a single **project application**. Comprehensive projects that include a range of measure types are encouraged. Note that the participant agreement must be executed to initiate the process. Ultimately, a project application will be completed by the program for review and approval to move forward with the project(s). The project application is completed and sent to CLEAResult for final approval and reservation of incentive funding.

#### All projects should meet the following requirements:

- Targeted Minimum Project Size: Each project for which an application is submitted, or combination of projects, should target a total estimated energy reduction of at least 25,000 kWh of annual savings.
- Project Costs: Projects must pass a cost-effectiveness test in order to be eligible for incentives. In order to evaluate this, all project costs must be submitted to CLEAResult before incentive funding can be applied for and reserved. This includes the cost of the equipment and its installation.

### Incentive Reservation/Application Process

Upon receipt of a signed project application, CLEAResult will review the application for completeness and eligibility then send notice stating that incentive funding has been reserved for the project(s). The anticipated project start and completion dates should be communicated to CLEAResult, which will provide adequate time for final project verification and post-installation inspection prior to receiving the incentive payment. The completion date of a project should not extend beyond November 15th of the current program year unless approved in writing by SAGE staff. If oversubscription to the program should arise, participants will be placed on a waiting list in the order of when the project application, including the executed participant agreement was received.

Participants on the waiting list may be able to reserve incentive funding for the current program year if other projects for which funding were reserved are cancelled and funds become available. Otherwise, they will be eligible to reserve funding during the next program year, but note that the project must be completed in the year in which the funds are reserved.

## Incentive Payment Process

**Deemed savings projects:** Participant/TA will receive an incentive payment representing 100 percent of the final calculated incentive amount set forth in the confirmed project application after the project(s) are installed, documented and verified. It is encouraged to contact the SAGE team prior to installation of additional measures not identified in pre-installation inspections to determine whether additional funds may be available. Incentive funds in excess of the estimated amount will be paid based on final calculated savings only if the program is not fully subscribed at the time of project completion.

**EM&V projects:** Participant/TA will receive 40 percent of the total estimated incentive amount set forth in the confirmed project application after the project(s) are installed, documented, and verified. The remaining incentive will be calculated based on the final EM&V report and will be paid once the EM&V efforts are complete. To the extent that additional measures are installed that were not identified in the application and confirmed by the pre-installation inspection, one may be eligible for additional incentive funds. It is encouraged to contact the SAGE team prior to installation of such additional measures to determine whether additional funds may be available. Incentive funds in excess of the estimated amount will be paid based on final calculated savings only if the program is not fully subscribed at the time of project completion.

Incentives are paid by check directly to participant or trade ally as explained above. Payee is determined on the Participation Agreement (must be either participant or trade ally). Checks will be delivered no later than December 30 of the year the project is completed and verified unless otherwise notified.

## Limits on Participation

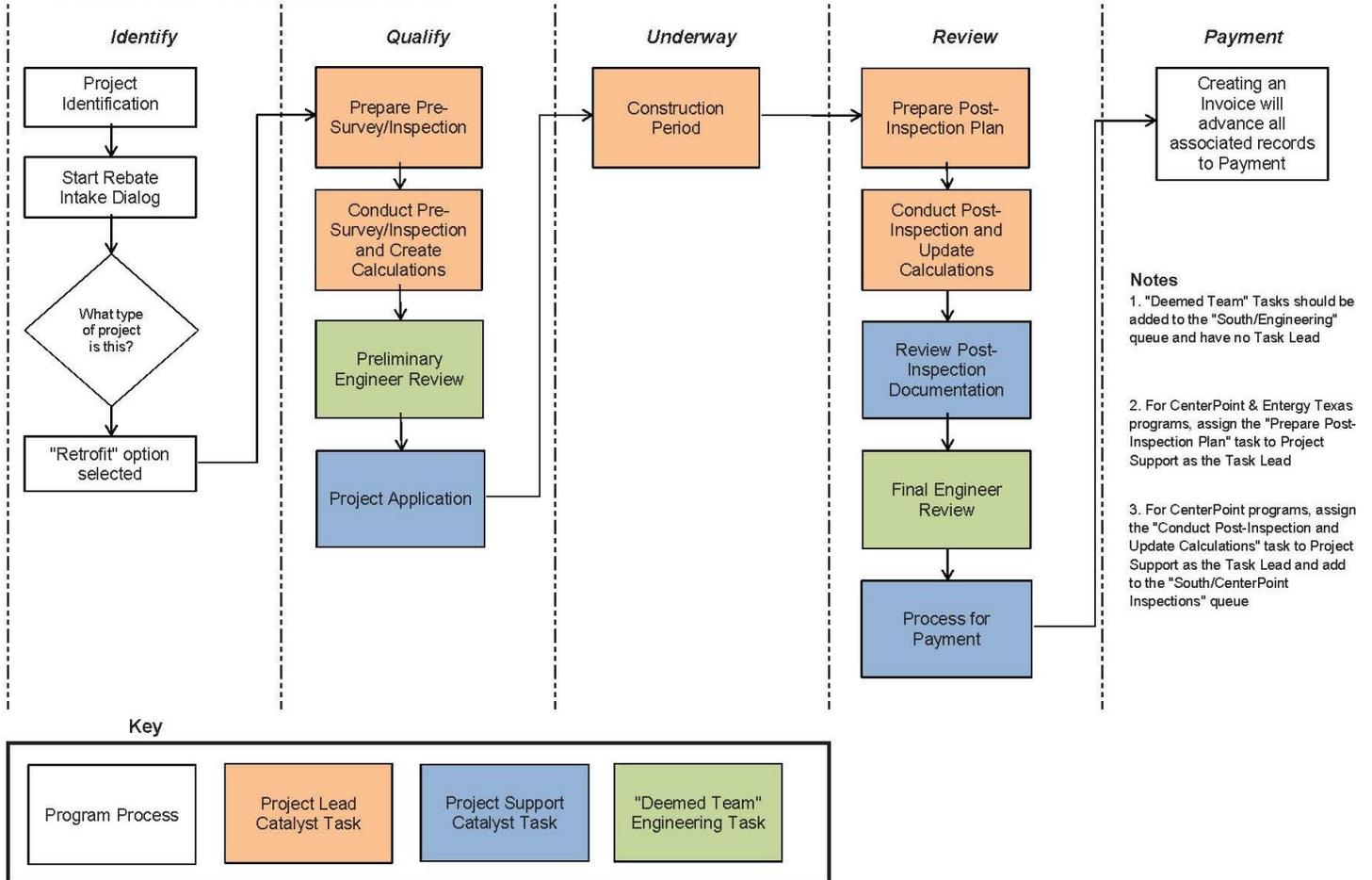
To ensure incentives are available for multiple projects, an individual/entity may not receive more than 50 percent of the OG&E program incentives budget in any funding year.

In the event that there are incentive funds still available after September 1 of the current program year, one may exceed the 50 percent cap in order to fully subscribe the program.

See the figure below for more details on the program process, which does not include the third-party EEM&V discussed herein: The program process flow chart below illustrates contact points and responsibilities of each party involved in the process.

## Program Process

### South C&I - Retrofit Workflow



## QUALITY MANAGEMENT PROCESS (QA/QC)

### Quality Assurance and Quality Control (QA/QC)

Program Process Trainings (QA)	Trade allies that choose to participate in the program will attend training that explains the program process and technical aspects of participation. If the installing contractor has chosen not to participate as a trade ally in the program, CLEAResult will work with the participant to ensure that all steps are taken to receive an incentive.
Application Review (QA)	Incomplete project applications will be rejected and sent back for completion. One may not receive a reservation of incentive funding notice until the project application is completed appropriately and confirmed by CLEAResult.

Post-Installation Inspections (QC)	Completed projects will be subject to a pre and post-installation inspection as selected on a random sample basis. Typically, this random sample consists of inspecting 20 percent of the qualifying measure(s). If a project fails its installation inspection, additional inspections will be conducted in an attempt to determine whether there is reasonable assurance that the project has been documented and that the actual savings can be verified. In connection with any such inspections, adjustments to the incentive amount may be proposed to complete and return to CLEAResult.
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## ADDITIONAL INFORMATION

### OG&E and/or CLEAResult

The selection of a participating contractor to perform work is the sole decision of the property owner, customer, and/or authorized lessee/occupant. Although a list of approved contractors is prepared in connection with this program, inclusion of a contractor in the participating contractor list for the program does not constitute an endorsement by OG&E or CLEAResult of any product, individual or company. Work performed by participating contractors is not guaranteed or subject to any representation or warranty either expressed or implied or otherwise by either OG&E or CLEAResult. Neither OG&E nor CLEAResult makes any guarantee or any other representation or warranty, expressed or implied or otherwise, as to the quality, cost, or effectiveness of any product(s) provided or work(s) performed by any participating contractor by any such participating contractor's employees, subcontractors or suppliers.

Energy efficiency gains are subject to a number of variable conditions and circumstances. While it is the intent of the program to achieve energy efficiencies at applicable facilities, neither OG&E nor CLEAResult guarantees or warrants that any specific energy efficiency gains will be achieved for a particular customer under the program.

### Participating Trade Allies

Each Participating Trade Ally shall, to the fullest extent allowed by applicable law, indemnify, protect and hold harmless CLEAResult, OG&E, their affiliates, their contractors and each of their officers, directors, control persons, employees, agents and representatives (all of the foregoing being herein referred to, individually and collectively, as the "Indemnities") from and against any and all losses, damages, claims, liabilities, costs and expenses (including attorney's fees) that may be imposed on, incurred by, or asserted against the Indemnities or any of them by any party or parties (including, without limitation, a governmental entity), caused by, arising from, relating to or in connection with, in whole or in part, directly or indirectly: (a) such participating trade ally's breach of any provision of its trade ally agreement (b) such participating trade ally's act or omission that results directly or indirectly in any property damage, personal injury or death in connection with the performance of any work by such participating trade ally, (c) any violation of law by such participating trade ally or (d) the treatment, storage, disposal, handling, transportation, release, spillage or leakage by such participating trade ally of any hazardous substance in any form. **THIS INDEMNITY SHALL APPLY EVEN IN THE EVENT OF THE CONCURRENT NEGLIGENCE, ACTIVE OR PASSIVE, OF ANY OR ALL INDEMNITEES.** Indemnities, respectively, at their option exercisable by written notice to such participating trade ally, may require such participating trade ally to defend any or all suits or claims concerning the foregoing.

## DEFINITIONS

**Custom Measure:** An energy efficiency measure that does not have a prescriptive calculation methodology. This type of measure requires measurement and verification to accurately quantify demand and energy savings.

**EE:** Energy Efficiency

**EM&V:** Evaluation, Measurement and Verification, often referred to as Measurement as Verification.

**Energy Master Planning:** The process of reviewing Energy Performance Benchmarking reports and establishing a strategic approach to the effective use of energy, which may include the implementation of energy efficiency measures.

**Energy Performance Benchmarking:** A comprehensive analysis of facility energy use, which provides a rating for the performance of buildings (typical on a scale of 1 to 100) relative to a peer group of facilities using regional data. This evaluation may be used to identify energy efficiency measures or can be used as a tool for Energy Master Planning.

**Facility Assessment:** A preliminary facility walkthrough performed by Program Staff or a Trade Ally to determine energy savings opportunities. An assessment does not necessarily provide adequate inspection documentation and additional on-site verification may be required for identified energy efficiency projects.

**Feasibility Study:** A comprehensive energy savings evaluation and life cycle cost analysis (prepared by a licensed engineer or other professional) that evaluates the Participant's opportunities for energy savings at their facility using established calculation methodologies and computer simulated energy models

**Incentive:** A one-time payment to the Participant (or a designated assignee) for energy efficiency projects completed through the program.

**Incentive Rate:** A defined value of incentive dollars on a per unit basis to calculate total incentive.

**kW:** The abbreviation for kilowatt (equal to 1,000 watts), which is the unit of measurement for electrical demand or power.

**kWh:** The abbreviation for kilowatt-hour, which is the unit of measurement for electrical energy use. One kWh is the amount of energy consumed by the use of one kW for one hour.

**Measure:** A single proposed energy efficiency improvement, at either a single facility or multiple facilities.

**Measurement and Verification:** A process of observation and measurements that establish energy use of a proposed energy efficiency measure for both pre-retrofit and post-retrofit conditions that allows the calculation of energy savings. This process may also require gathering data on correlating factors for a specific system or facility, such as production, occupancy, operating hours, or similar metrics.

**Participant:** Any non-residential OG&E Arkansas, Inc. customer that has enrolled in the energy efficiency programs who will exert best efforts to approve, fund, and install projects during the Program year.

**Participation Agreement:** A non-binding document that once submitted by the participant will enroll them into the Large Commercial Incentive Programs offered by OG&E Arkansas, Inc., allow Program Staff to verify eligibility, and permit appropriate program follow-up.

**Pre-Installation Inspection:** A facility walkthrough performed by Program Staff prior to implementation of energy efficiency projects to verify and document proposed or identified energy efficiency upgrades within a participant's facility.

**Prescriptive Measure:** An energy efficiency measure that has a prescriptive calculation methodology, given in the Arkansas TRM (Technical Resource Manual). This type of measure does not require measurement and verification.

**Post-Installation Inspection:** A facility walkthrough performed by SAGE staff after implementation of energy efficiency projects to verify and document proposed or identified energy efficiency upgrades within a participant's facility.

**Program Sponsor:** The utility funding and operating the energy efficiency program.

**Project:** A planned set of energy efficiency measures for a single participant (at either a single facility or multiple facilities) as proposed by program staff or trade ally.

**Project Application:** A document provided by CLEAResult and executed by the participant that outlines the proposed energy efficiency measures, the estimated savings, and the project incentive. Acknowledged receipt of this form by CLEAResult will reserve the listed incentive for the Participant.

**Tier:** A unique measure (or combination of measures) that when evaluated for an energy efficiency project, may provide enhanced incentive rates for comprehensive projects.

**Trade Ally:** A contractor, supplier, or industry professional seeking to adapt his or her business model to utilize the energy efficiency programs to promote energy efficiency projects.

## FREQUENTLY ASKED QUESTIONS (FAQS)

### **What is the SAGE Program?**

The SAGE Program is designed for local public entities that receive retail electric service in the OG&E territory. The program will help senior managers and facility managers at local public entities operate their buildings more efficiently by understanding the technical and financial benefits of investing in energy efficiency and developing a plan to make energy efficiency improvements.

### **Who is Eligible for the SAGE Program?**

Any local public entity customer receiving retail electric service from OG&E is eligible for the SAGE Program. A customer is defined by a single Tax ID number. Multiple locations of an organization are thereby considered a single customer, regardless of how many OG&E account numbers they may have. In general, cities having more facility square footage and higher energy usage receive greater program benefits.

### **How Does a Customer Enroll to Participate in the Program?**

To join SAGE, the participating local public entity signs a Participation Agreement with OG&E. The Participation Agreement describes program commitments required of the participant, which includes agreement to the conditions and processes set forth in this program manual. CLEAResult will contact participants who submit the participant agreement to provide details on program participation, benefits, and requirements and to begin the program process.

### **What are the Next Steps After I've Enrolled in the Program?**

After a SAGE participant has joined the program by submitting a properly executed participation agreement, they can complete energy benchmarking, master planning (if applicable), and identify any applicable energy efficiency upgrade projects.

### **Who Decides What Energy Efficiency Technologies to Install or Who Will Install Them?**

The participant is the sole determinant for what energy efficiency measures are implemented and how they are implemented. The program does not provide any installation of energy efficiency measures, and is neutral on whether work is performed in-house or through a trade ally.

### **What is Energy Benchmarking?**

Benchmarking the energy performance of the participants is done through the use of US EPA's Portfolio Manager Tool. Information is entered into the tool along with the energy use of the facility, where the facilities are located geographically, the number of occupants in the building and some information about certain types of equipment within the facilities. Once this information is completed and submitted as inputs to the tool, the output is a numerical score from one to 100. Higher benchmark scores result in better energy performance; conversely, lower scores result in poorer energy performance. After the scores are estimated, participants in the program can work with CLEAResult to determine the energy efficiency opportunities in their facilities and to prioritize their efforts.

**What is the Energy Master Plan?**

The energy master plan is a document focusing on short-term and long-term strategies in order to manage and reduce energy usage. The document is developed by the participant after a workshop, in which best practices in the industry are reviewed, and one can select practices believed to be in the best interest to pursue.

**How are Energy Efficiency Opportunities Determined?**

The program works with participants to identify energy efficiency opportunities within their facilities. Once the opportunities are identified, the program works to find the right resources to assist where needed.

**How Much Time Should I Expect to Invest in the Program?**

We expect one to spend 30-50 hours on program functions over the course of a year. Typically, the amount of time participants are engaged in the program is directly related to the benefit participants realize. The amount of time invested ultimately will influence the extent of results received.

**What are the Incentives?**

Non-cash benefits, such as energy measure identification, benchmarking, calculations support and assistance, and EM&V of completed projects are available. Cash incentives for eligible energy efficiency measures are based on (kWh) energy reductions and are listed on page 8-9.