COMMERCIAL STANDARD OFFER CONSERVATION AGREEMENT

Public Utility District No. 1 of Clallam County, Washington
and
City of Sequim

This Agreement, executed by **Public Utility District No. 1 of Clallam County**, Washington (District) and **City of Sequim** (Customer) for its facility at **247 Shmuck Road** in **Sequim, Washington** (Service Address) establishes the terms and conditions of participation with the Bonneville Power Administration (BPA). This Agreement sets forth the entire agreement of the parties as of the effective date of this Agreement. The rights and obligations of the parties hereunder shall be subject to and governed by this Agreement.

The terms of this Agreement shall begin on the date the Customer and the District have both signed the Agreement, and it shall continue until **December 31, 2014**. Either party may terminate this Agreement upon 30 calendar days' written notice to the other party. All obligations incurred prior to such notice shall be satisfied.

Customer agrees to install measures and meet requirements as described in **Exhibit A** (Custom Project Proposal Template).

The District's "Energy Conservation Agreement" (ECA) with BPA is the basis for this Agreement and there are a number of terms, conditions, provisions and requirements as specified in BPA's ECA with the District, which need to be passed on to the Customer. The Customer, as the District's subcontractor, as contemplated in the District's ECA with BPA, also agrees to comply with BPA's terms, conditions, requirements and provisions as set out in the "**Exhibit B**" attached hereto.

Customer agrees to submit a "Completion Report," "Determination of Incentive Payment" and "Actual Costs Worksheet" (**Exhibits C, D and E**) within 30 days following the verification of the project's energy savings.

After the Completion Report has been reviewed and approved by the District, the Customer shall submit an invoice for payment to the District utilizing "**Exhibit F**." If requested, Customer will provide the District with copies of all invoices pertaining to the energy portion of the project cost. Customer agrees to retain back-up invoices and work orders for at least five years beyond the completion date of the project to substantiate program project costs.

Written communication between the parties shall be delivered in person or mailed to the address and to the attention of the person specified below:

If to the District:
PUD No. 1 of Clallam County
Post Office Box 1090
Port Angeles, WA 98632
Attn: Mattias Järvegren
(360) 565-3263
mattiasj@clallampud.net

If to the Customer:
City of Sequim
152 West Cedar Street
Sequim, WA 98382
Attn: Pete Tjemsland
(360) 683-4908
ptjem@sequimwa.gov

The District shall not disclose proprietary information except as required by laws and regulations. If Customer does not want certain information disclosed to the public, Customer shall mark "confidential" at the top of each applicable page. Exclusive of proprietary information, the District shall have the right to publicly disseminate information provided by the Customer pursuant to this Agreement.

Customer acknowledges the right of the District to contact appropriate federal, state, or local jurisdictions regarding environmental, health and safety matters related to each Project; make site visits; and conduct an evaluation of each Project. Customer shall arrange to make available to the District, subject to confidentiality requirements, such information or records as the District may request in conducting such inspection, evaluation or review.

Payments made through this Agreement may have tax implications and the Customer may wish to contact a tax advisor.

The provisions of this Agreement may be amended only by written agreement of both parties.

If any provision of this Agreement is determined to be invalid or unenforceable, both parties agree that the remainder of this Agreement will continue in full force and effect.

Customer certifies that projects implemented and financed through this Agreement would not otherwise have been installed. They further certify that all measures for this project meet or exceed all applicable local, state and federal codes and requirements in the design and installation of all energy efficient measures.

Customer agrees to comply with all state and federal environmental requirements. If noncompliance occurs, payments may be withheld until project is brought into substantial compliance and all terms of this Agreement have been met. Disposal of ballasts or other containers containing polychlorinated biphenyls (PCBs) must be in accordance with the Environmental Protection Agency (EPA) guidelines.

To the fullest extent allowed by law, the Customer agrees to indemnify, defend and hold harmless the District and BPA, its officers and employees, from all claims, loss, damages, or litigation including personal injury, death or property damage arising from or in connection with the performance of the Agreements herein unless said liability is occasioned by the sole or partial negligence of the District and BPA. The Customer expressly acknowledges that this Agreement has been mutually negotiated.

Each party hereto represents that it has the authority to execute this Agreement and that it has been duly authorized to enter into this Agreement. This Agreement is binding on any successors and assigns of the parties.

City of Sequim

Signature: _____

Steve Burkett
City Manager

Date: 7-8-13

Public Utility District No. 1 of Clallam County

Signature: _____

Fred Mitchell
Power Supply & Utility Services Manager

Date: _____

Attachments

Approved as to form by:
7/5/2013
Craig A. Ritchie, City Attorney

CUSTOM PROJECT PROPOSAL TEMPLATE

1. CUSTOMER NAME AND MAILING ADDRESS

City of Sequim
152 West Cedar Street
Sequim, Washington 98382

2. CLALLAM COUNTY PUD PROJECT NO.

24480a

3. PROJECT NAME AND ADDRESS

Sequim Digester Blower Controls BECPP_001220
247 Schmuck Road
Sequim, Washington, 98382

4. MEASURE BASELINE

In the baseline system, two 30-HP blowers would run continuously, 90% loaded, to provide process and mixing air via fine bubble diffusers to two aerobic digesters. One 8-hour decant cycle will occur in each digester on alternating weeks; during this cycle one of the blowers will be turned off.

5. PROPSOSED MEASURE DESCRIPTION

Variable frequency drives, dissolved oxygen meters, and automated controls will allow the blower to be turned down to match the process aeration and mixing requirements, anticipated to be a 53% loading during the first years of operation. The hours of operation will remain the same.

6. ENERGY SAVINGS ESTIMATE

The two new 30-HP blowers would run continuously, 90% loaded, for 8552 hours per year. This is calculated as a baseline energy consumption of 344,370 kWh per year. However when dissolved oxygen (DO) meters, variable frequency drives (VFDs), and controls are added, they allow the blowers to be turned down to 53% loading, for an annual savings of 135,302 kWh.

Also, see *Custom Project Proposal* hereto attached as Exhibit 1.

7. PROPOSED MEASURE COST

$55,000

8. MEASUREMENT AND VERIFICATION PLAN

The M&V plan will consist of first obtaining a snapshot true power measurement on the blower when run at full speed. This measurement will be adjusted to account for the VFD's nameplate efficiency, and the resultant value will be used to correct the baseline energy consumption estimate calculated above. Snapshot measurements will be taken at 100%, 90%, 75%, and 50% speeds (and lower if the programming allows) to develop a speed vs. power curve. The plant's SCADA system will be used to trend blower speeds for four weeks when they are running in automatic mode. The M&V period should not be started until the digesters have had sufficient time for the biology to become fully active and acclimated to the new process. Assuming the improvements are operational by April 2014, the M&V period would occur in June 2014.

This information will be used to verify the blower energy consumption, at full loading and when automatically controlled to the lower speed. The Baseline and Post-EEM energy calculations will be adjusted accordingly.

Cost information for the project will be gathered from the contractor's pay estimates. (This price is the "Actual Construction Cost.") The final construction cost will be compared to the estimated cost, and the same ratio of actual-to-estimated will be used for the estimated cost of the baseline project (with no controls, the "Adjusted Baseline Cost"). Total project cost will be the difference between the Adjusted Baseline Cost and the Actual Construction Cost.

Also, see *Custom Project Proposal* hereto attached as Exhibit 1.

9. ESTIMATED CHANGE IN O&M COSTS AND/OR ESTIMATED NON-ENERGY BENEFITS

There is no expected change in O & M costs, nor any estimated non-energy benefits.

Custom Project Proposal

Sequim Digester Blower Controls - 1220

Presented to:

Pete Tjemsland

City of Sequim, WA

Sponsored by:

Energy Smart Industrial
BPA ENERGY EFFICIENCY

and

CLALLAM COUNTY PUD

Submitted by:

Dawn Lesley, PE
Water/Wastewater Sector Specialist

Bob Brennand
ESIP

December 20, 2012

DISCLAIMER

The intent of this Scoping Assessment report is to identify energy efficiency opportunities that may have merit, and to provide preliminary estimates of economics. This report is believed to be reasonably accurate, but the findings are preliminary estimates and actual results may vary. As a result, Clallam County PUD and the Bonneville Power Administration (BPA) Energy Smart Industrial (ESI) program and its contractors are not liable if projected estimated savings or economics are not actually achieved. All savings and cost estimates in the report are preliminary and for informational purposes, and are not to be construed as a design document or as guarantees.

Clallam County PUD should independently evaluate any advice or direction provided in this report. In no event will Clallam County PUD and the BPA ESI program and its contractors be liable for the failure to achieve a specified amount of energy savings and any incidental or consequential damages of any kind in connection with this report or the installation of recommended measures.

CONTACTS & PREPARATION

Facility Contact:

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Utilities Manager
City of Sequim
152 W. Cedar Street
Sequim WA 98382
Phone: (360) 683-4908
Email: ptjem@ci.sequim.wa.us

Utility Contact:

Mattias Jarvegren
Utilities Services Advisor II
Clallam County PUD
2431 E. Hwy 101
Port Angeles WA 98362
Phone: (360) 565-3263
Email: mattiasj@clallampud.net

BPA ESIP Contact:

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1.0 SUMMARY

1.1 INTRODUCTION

This project is a major upgrade to the Sequim WRF aerobic digesters, and is therefore considered a **"new construction" project. The two options considered were standard replacement of surface aerators with** blowers and diffused air (baseline) and the addition of variable frequency drives (VFDs) and controls to allow for turning down blowers to match process aeration and mixing demands (controlled plant hereafter referred to as energy efficiency measure: EEM). The energy savings will be calculated as the difference between EEM plant and the estimated baseline usage, normalized for the same flow and load conditions.

1.2 PROJECT DESCRIPTION

A plantwide scoping assessment was performed for this facility in October 2011 by ESI staff on behalf of Clallam County PUD. Digester aeration was estimated to account for approximately 20 percent of the **WRF's annual electricity** consumption, and the digester controls were identified as a potential conservation measure.

In this project, the four 20-HP surface aerators and their antiquated timers will be replaced with a high-efficiency fine-bubble diffused air system supplied with air from two new 30-HP blowers. A standard installation would have these new blowers run continuously to supply oxygen to the digesters and ensure adequate mixing. However the addition of VFDs, dissolved oxygen (DO) metering and controls allows the blowers to be turned down; they are expected to run at 53 percent loading during the first years of operation.

A larger, two-stage digester upgrade process is underway, led by an engineering consultant Gray & Osborne (G&O). As described further below, this project proposal addresses the first phase only.

1.3 Energy Savings Analysis

Energy Usage and Benchmarking Data: Electrical energy usage for the wastewater plant and collection system pump stations, as well as plant flow and load data, was compiled for the period February 2008 through May 2011. The annual average energy use for the plant and pump stations is as shown in Figure 1. The wastewater plant consumes, on average, 1.8 million kWh annually. The lift stations together account for less than 80,000 kWh annually. For this reason the City is focusing its efforts on the treatment plant first.

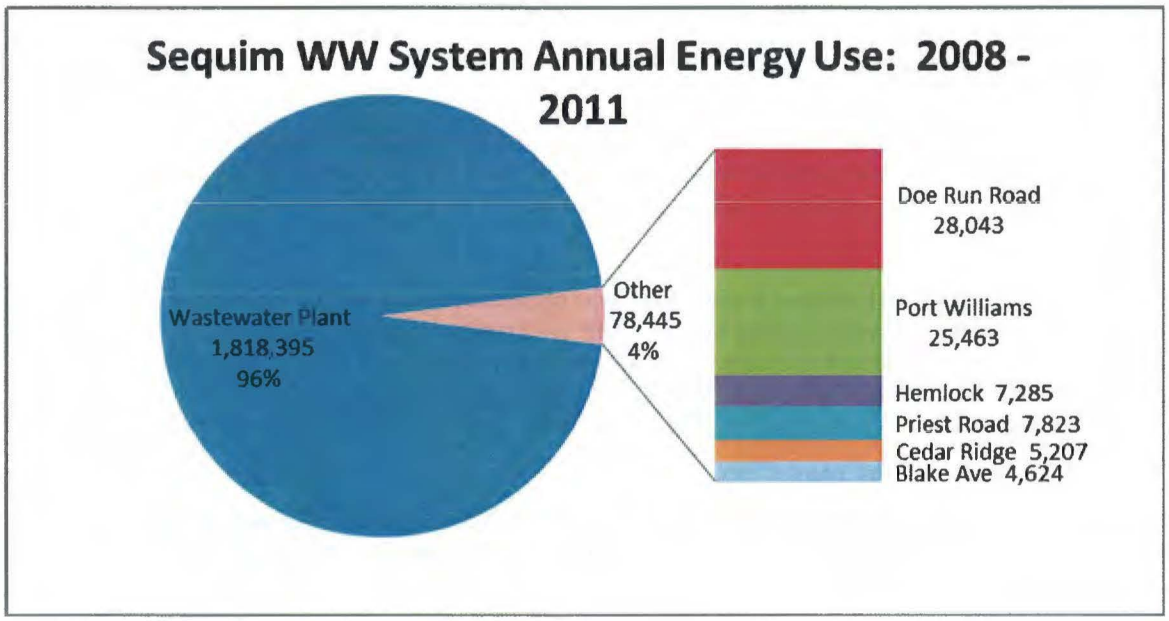


Figure 1: Systemwide Energy Use

Figure 2 shows that 20 percent of the WRF energy is estimated to be consumed by the aerobic digesters, making them a logical target for an energy upgrade. The City is investing in a major digester aeration upgrade, designed by G&O. In the first phase, the upgrade will replace four 20-HP surface aerators run by antiquated, manually adjusted timers with two 30-HP blowers and fine bubble diffusers. A second phase (planned for 2018/19) will add a third blower and additional digester volume; it is not included in this analysis.

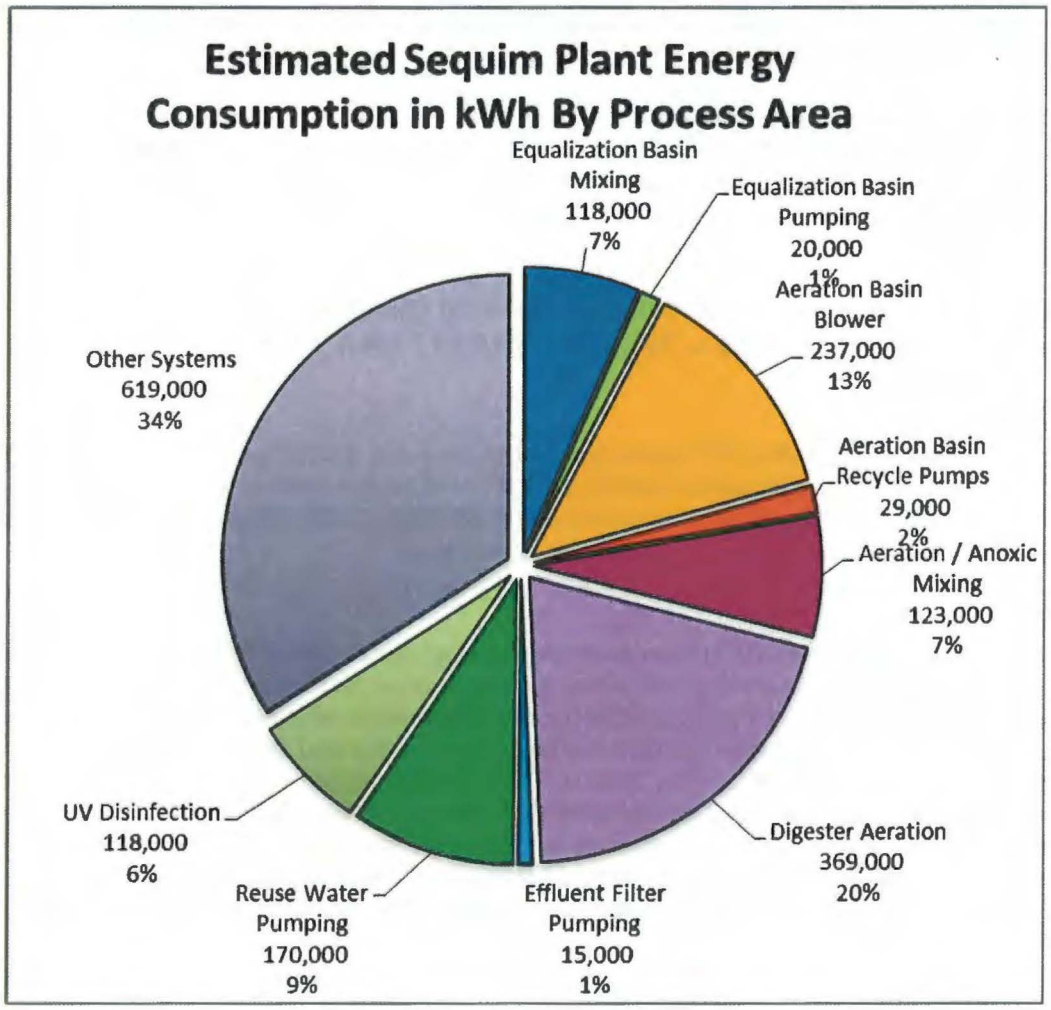


Figure 2: Plant Operating Data 2008-2011

The basic Phase 1 baseline project would include standard motor starters on the new blowers and they would run continuously except for brief decanting periods. The energy efficiency of the Phase 1 project could be significantly improved with the inclusion of blower controls that allow adjustment of the aeration to match the digestion process and mixing needs.

Baseline Energy Consumption =
2 x 30 HP x 0.7457 kW/HP x 90% loading x 8552 h/y = 344,370 kWh/y

This is based on two blowers running continuously all year except for one 8-hour decant period every other week. We assume that the blower motor would be operating at 90% load when running at constant speed and average digester water level.

Post-EEM Energy Consumption =
2 x 30 HP x 0.7457 kW/HP x 53% loading ÷ 97% VFD effy x 8552 h/y = 209,068kWh/y

When blower controls are added the run time will be the same, but the aeration and mixing demands are estimated by G&O (see Appendix) to allow the blowers to be turned down to 53% loading during the first year's operation.

The project savings is Baseline Consumption minus Post-EEM Consumption:

Estimated Savings = 344,400 – 209,100 = 135,302 kWh per year.

1.4 Costs

The incremental cost to add VFDs, DO monitoring, and program and test the controls has been estimated by G&O at $50,000 (as part of the approximately $427,200 total project construction cost). A contingency of 10% has been added, to bring the total estimated cost to $55,000. (G&O cost estimates see Appendix.)

1.5 M&V

The project savings are based on the incremental energy savings due to blower turndown. The M&V plan will consist of first obtaining a snapshot true power measurement on the blower when run at full speed. This measurement will be adjusted to account for the VFD's nameplate efficiency, and the resultant value will be used to correct the baseline energy consumption estimate calculated above. Snapshot measurements will be taken at 100%, 90%, 75%, and 50% speeds (and lower if the programming allows) to develop a speed vs. power curve. The plant's SCADA system will be used to trend blower speeds for four weeks when they are running in automatic mode. The M&V period should not be started until the digesters have had sufficient time for the biology to become fully active and acclimated to the new process. Assuming the improvements are operational by April 2014, the M&V period would occur in June 2014.

This information will be used to verify the blower energy consumption, at full loading and when automatically controlled to the lower speed. The Baseline and Post-EEM energy calculations will be adjusted accordingly.

Cost information for the project will be gathered from the contractor's pay estimates. (This price is the "Actual Construction Cost.") The final construction cost will be compared to the estimated cost, and the same ratio of actual-to-estimated will be used for the estimated cost of the baseline project (with no controls, the "Adjusted Baseline Cost"). Total project cost will be the difference between the Adjusted Baseline Cost and the Actual Construction Cost.

Project Cost = Adjusted Baseline Cost - Actual Construction Cost

2.0 APPENDIX

From: Jay Swift [mailto:jswift@g-o.com]
Sent: Monday, December 17, 2012 3:44 PM
To: Layne McWilliams; nlockett@g-o.com
Subject: RE: Clallam PUD - Sequim WWTP

Layne

After further evaluation, we have revised the 2032 digester design basis to 3x 30 hp blowers, and the 2018 design basis to 2x 30 hp blowers. (It is assumed the first two blowers would go in within 2 years. The additional blower and new digester cells would be constructed in 2018-2019).

If the first project goes in within the next couple of years, we project that the two 30 hp blowers would operate at ~53 % of maximum power the first year of operation.

We estimate the costs for the two 30 hp blowers and enclosures installed on new concrete pad to be $50 k. The additional cost for VFDs, DO sensors and control system would add an additional $50 k.

There would of course be additional costs for Mobilization, Cleanup, and Demobilization, Tank Modifications, Piping, Electrical, and Diffusers, tax, engineering and contingency, so the $595 k project cost estimate is still considered appropriate.

Please contact Nancy or me if you have any questions.

Thanks

Jay

Jay Swift, P.E.
Gray & Osborne, Inc.
701 Dexter Ave N. Suite 200
Seattle WA, 98109

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Ph(206)284-0860
Fx(206)283-3206

Electronic File Transfer-

Note that these electronic files are provided as a courtesy only. Gray & Osborne, Inc. in no way guarantees the accuracy or completeness of the digital data contained within these files. Furthermore, Gray & Osborne, Inc. assumes no liability for any errors or omissions in the digital data herein. Anyone using the information contained herein should consult the approved or certified hard copy drawings or reports for the most current information available.

CUSTOM PROJECT REQUIREMENTS

1.1 Custom Programs and Projects General Requirements

Projects started as custom projects must be completed using the custom path under which they were started and cannot be submitted under a deemed option. Custom projects may not result in fuel switching and may not include deemed measures (savings or reimbursement), unless otherwise provided in the Implementation Manual.

1.1.1 Custom Programs and Projects Reimbursement Levels

Projects are reimbursed at the rate in place at the time the custom project was approved and cannot be canceled and resubmitted under a different reimbursement rate. If BPA's reimbursement rate change between the date the project proposal was submitted and the date the project proposal was approved by the BPA, the estimated BPA reimbursement amount in the proposal may not reflect the approved reimbursement rate.

The District must pass through the entire BPA-reimbursement received to their end users if such reimbursement is for an Energy Smart Industrial project; a progress payment; or funded by large project funds. Reimbursement is currently calculated according to the tables below.

Project Type	Measure Life (Years)	Sector	Reimbursement Rate *($/kWh)*
Energy Smart Grocer	1	Commercial	$0.025
	2-3	Commercial	$0.05
	4+	Commercial	$0.17
Non-Residential Lighting (excluding Energy Smart Grocer)	All	• Agricultural • Commercial • Industrial	$0.18
Retrofit Construction (excluding Energy Smart Grocer and Non-Residential Lighting)	1	All	$0.025
	2-3	All	$0.05
	4-19	• Agricultural • Industrial • Utility Distribution	$0.25
		• Commercial • Residential	$0.20
	20+	All	$0.35
New Construction and Major Renovation (excluding Energy Smart Grocer and Non-Residential Lighting)	1	All	$0.025
	2-3	All	$0.05
	4-19	• Agricultural • Residential • Commercial	$0.27
		• Industrial • Utility Distribution	$0.25
	20+	• Agricultural • Commercial • Industrial • Residential	$0.35
		Utility Distribution	$0.25

Reimbursement for all sectors is capped at 70% of the project incremental cost, with the following exception for commercial new construction projects, if incremental cost data is not available, incremental cost may be calculated as 2.86% of the whole building cost in order to achieve 2% of the whole building cost.

Though the total available reimbursement is calculated using the rates and cost caps noted above, the District may request less BPA reimbursement. To make this request, the District must enter the amount of available reimbursement requested from BPA in the Custom Project Calculator.

Effective February 1, 2013, requests for project reimbursement from BPA in an amount less than the total available must retain proof of payment in their files. This rule does not apply to projects when there is no request for any BPA reimbursement or (2) the request is for the total available BPA reimbursement.

4.1.2 Custom Projects Progress Payments

Custom projects may be eligible for progress payments. The customer must request progress payments in the proposal, and the request must include a schedule with estimated progress payments that coincide with incurred costs and measureable milestones.

Progress payments will be made after project milestones are achieved and verified in accordance with the BPA approved custom project proposal. The customer must document project milestone achievement (e.g., ordered, delivered or installed equipment) prior to receiving a progress payment.

The full progress payment amount paid by BPA must be passed through to the customer, and the District must retain proof of payment. Customers will be required to repay BPA if the project is not completed within six months of the expected completion date (the expected completion date may be revised with BPA approval).

In order to qualify for progress payments, the project must have the following attributes:

1. The time period from the BPA custom project proposal approval date to the completion report submittal date meets or exceeds 12 months.
2. The amount of each progress payment is $100,000.00 or greater.
3. The estimated incentive for the project is $250,000.00 or greater.
4. The sum of the progress payments does not exceed the lower of (a) 70% of actual expenditures of the project incurred up to the date of the progress payment invoice to BPA or (b) 50% of the estimated total project incentive.

4.1.3 Custom Programs and Projects Documentation Requirements

Documentation Description	Retention/Submittal Locations		
	BPA Energy Efficiency Reporting System	eedocs@bpa.gov or fax 1-866-535-7955	**Customer File**
Option 1 Custom Project Calculator	**X**	**X**	**X**
End-user payment documentation (e.g. canceled check), if pass-through is required and effective February 1, 2013, for all projects requesting less than the total available BPA reimbursement			**X**

4.3 Custom Projects

This section will provide information on (1) general requirements, (2) Custom Project Process.

4.3.2 Custom Project General Requirements

1. All measures or projects that do not have a BPA deemed reimbursement level, deemed busbar energy savings, or for which cost-effectiveness has not been determined, must be submitted as custom projects.

2. The measures must be designed to result in improvements in the energy efficiency of electricity distribution or use and must have a savings life of at least one year. The proposed baseline annual energy usage for each measure must be documented and provide a basis for establishing annual energy savings.

3. Custom projects are limited to one sector each and must have a minimum B/C ratio of 0.5. BPA shall manage the B/C ratio at a program level reserves the right to reject individual custom projects with B/C ratios of less than 1.0 to ensure the aggregate B/C ratio for all custom project proposals/reports remains 1.0 or greater.

4. The measures have not been ordered, purchased or installed prior to approval of the custom project by BPA.

5. The expected project simple payback (project cost/annual energy cost savings) must be six months or greater.

6. The BPA M&V Protocol Selection Tool for custom projects must be used to select an appropriate M&V plan. The implemented plan will be either (i) Engineering Calculations with a Verification Plan or (ii) a Comprehensive M&V Plan.

   a. *Engineering Calculations with a Verification Plan*

   Detailed guidance on preparing Engineering Calculations with a Verification Plan is included in the BPA Engineering Calculations with Verification Protocol. As directed in the BPA M&V Protocol Selection Tool, Engineering Calculations with a Verification Plan may be used for projects with an expected annual energy savings less than 200,000 kWh per year that qualify under the BPA Engineering Calculations with Verification Protocol.

   b. *Comprehensive M&V Plan*

   Detailed guidance on preparing a Comprehensive M&V Plan is in the BPA M&V Protocols and Guidelines and RTF Standard Savings Estimation Protocols.

4.3.3 Custom Project Process

The following rules apply:

- To receive reimbursement for a custom project, the District must submit and receive BPA approval of the Custom Project Calculator which includes tabs for all project components from proposal to completion. Refer to the Custom Project Calculator instructions for calculator-specific instructions. The District must follow the process described below to complete and submit the

calculator. BPA shall review the Custom Project Calculator and all supporting documentation. BPA shall strive to provide the District a written response within 10 working days of receiving custom project documentation and will inform the District in writing of acceptance, return for modification or rejection.

- The District may request technical advice from BPA regardless of the size of the project or the requirement for review and comment, unless the project is part of the Energy Smart Industrial or Energy Smart Grocer programs.

- The District may report non-reportable custom projects using the Custom Project Calculator.

1. Custom Project Proposal

    a. The District must submit the Custom Project Calculator to BPA by emailing it to eedocs@bpa.gov or faxing to 1-866-535-7955 with the following tabs completed: "Proposal" and "Measure Input" (all fields labeled "required for proposals"). Note that, at proposal stage, the calculator will calculate estimated reimbursement based on the date of project submittal, however actual reimbursement will be based on the reimbursements in place on the date of BPA approval.

    c. BPA shall review the calculator and may comment on the project's ability to deliver the estimated energy savings at the estimated cost.

    c. If the custom project proposal is incomplete (e.g., fails to provide an adequate M&V Plan or project description), BPA may reject the proposal or return it for modification.

    d. When a proposal is approved, BPA shall notify the District and email the approved Custom Project Calculator to the District. This file must be saved and used for submittal of the completion report.

2. Custom Project Completion Report

    a. The District must submit the Custom Project Calculator with proposal approval to BPA by emailing it to eedocs@bpa.gov or faxing to 1-866-535-7955 with the following tabs completed: "Completion Report" and "Measure Input" (all fields labeled "required for completion reports"). Note that, at completion report stage, the calculator will calculate actual reimbursement based on the date of BPA approval.

    b. The completion report must include actual project costs, verified energy savings and information on changes to the approved M&V plan. The District must include documentation supporting the costs and savings claimed and invoices showing the order/purchase date.

    c. BPA shall review the calculator. If the custom project completion report is incomplete, BPA may reject the proposal or return it for modification.

    d. Reimbursement is based on the accepted completion report data.

    e. When a proposal is approved, BPA shall notify the District and email the approved Option 1 Custom Project Calculator to the customer.

f. After BPA approval of project completion report, the District may submit the Custom Project Calculator to BPA for payment using the reporting system available.

COMPLETION REPORT REQUIREMENTS

After completion of the project, a Completion Report shall be submitted to Clallam County PUD. The report shall be written in the following format:

1. Name and Full Address of Customer.

2. Date of Submittal.

3. Title of Project.

4. Description of the Completed Project.

   Include a description of each measure, a list of the equipment which was installed, the date on which each measure was installed and the electrical energy efficiency improvement accomplished. Describe any changes made to the Project Proposal and their impact, if any, on energy savings and project cost.

5. Energy Savings Verification.

   The Customer shall complete and document the results of the energy savings verification as determined from the results of the metering and verification plan agreed upon in the Project Proposal.

6. Actual Cost and Acquisition Payment Calculations.

   The Customer shall complete Exhibit D (Determination of Incentive Payment), Exhibit E (Actual Project Costs), and Exhibit F (Invoice for CSO Program) and include these exhibits as part of the Completion Report.

7. Comments and Recommendations.

   Provide a critique of the project to identify possible improvements in equipment or procedures for similar projects.

CSO
DETERMINATION OF INCENTIVE PAYMENT
COMMERCIAL - RETROFITS

The incentive payment for the Clallam County PUD CSO Program is based on actual project costs and annual verified energy savings resulting from the project. Verification is secured through a mutually agreed upon verification scheme to be submitted as part of the Project Proposal. The amount of the incentive payment shall be taken as the lesser of the two quantities given by the following calculation methods:

(a) Annual verified energy savings multiplied by the acquisition payment rate, $0.20 per kWh.

(b) 70% of the incremental project costs.

Complete the blanks in the *ESTIMATED* column below to estimate the incentive payment at the project proposal stage. The *ACTUAL* column is to be completed after energy savings have been verified. The incentive payment figure at the bottom of the *ACTUAL* column shall be the actual incentive payment paid to the Customer.

1. Project Title: _____

		ESTIMATED		ACTUAL	
2.	Project Cost	$ 55,000		$ _____	
3.	Annual Site Energy Savings	135,302	kWh/yr	_____	kWh/yr
4.	Annual Busbar Energy Savings (Line 3 x 1.09056)	147,555	kWh/yr	_____	kWh/yr
5.	Incentive Payment Rate	0.25	$/kWh	0.25	$/kWh
6.	Incentive Payment Calculation				
	(a) Savings-based Payment (Line 4 x Line 5)	$ 36,888.74		$ _____	
	(b) 70% Project Cost Cap (Line 2 x 0.7)	$ 38,500.00		$ _____	
7.	Incentive Payment (Lesser of Line 6a or 6b in the "Actual" column)	$ 36,888.74		$ _____	

EXHIBIT E

ACTUAL CSO PROJECT COSTS WORKSHEET

1. Name and Address of Customer:

2. Date of Submittal:

3. Title of Project:

4. Energy Review Cost: (If energy review costs have already been reimbursed, check "e" below and do not fill in the energy review costs in this section.)

   a. Scoping: $ _____

   b. Analysis: $ _____

   c. Proposal Preparation: $ _____

   d. Other (specify): $ _____

   e. Energy Review Costs Have Been Previously Reimbursed.

5. Customer Costs. List sales tax, where appropriate. Include invoices from consultants, suppliers of major pieces of equipment, and installers. (Add additional pages, if needed.)

   a. Solely-allocated, Project-specific Administration Costs: $ _____

   b. Customer Engineering Design Costs (proposal preparation if not included as part of energy review):

Job Title	Hourly Rate	Hours	Cost
_____			$ _____
_____			$ _____

c. Subcontractor Engineering Design Costs (proposal preparation if not included as part of energy review):

Job Title	Hourly Rate	Hours	Cost
_____			$ _____
_____			$ _____

d. Equipment:

Type _____ $ _____

e. Equipment Installation Costs (contracted and/or in-house):

Type _____ $ _____

f. Equipment Removal or Abandonment-In-Place Costs:

Type _____ $ _____

g. Instrumentation and Data Collection Costs (pre and post installation data collection costs):

Type _____ $ _____

h. Permit or Inspection Fees:

Type _____ $ _____

6. **TOTAL ACTUAL PROJECT COSTS:** $ _____

If requested, Customer will provide Clallam PUD copies of all invoices pertaining to the energy portion of the project cost.

EXHIBIT F

INVOICE FOR CSO PROGRAM
Payment Form - Projects

Directions: Photocopy and complete the following information. Invoice No. _____

1. CUSTOMER NAME AND MAILING ADDRESS

City of Sequim
152 West Cedar Street
Sequim, Washington 98382

2. PROJECT NAME AND ADDRESS **CLALLAM PUD PROJECT NUMBER**

24480a

3. PAYMENT

TOTAL PAYMENT REQUESTED (See Exhibit B, Line 6 - "Actual" Column) $ _____

Make Check Payable to:

4. CERTIFICATION BY CUSTOMER

I hereby certify that the information contained in the attached documents and the amount requested on this invoice is true, correct, and complete.

_____
Signature

_____
Title

_____
Date

5. APPROVAL BY CLALLAM PUD

I hereby certify that the information contained in the attached documents and the amount requested on this invoice is true, correct, and complete.

_____
Signature

_____
Title

_____
Date