



# Energy Edge

A NEWSLETTER FOR MEMPHIS LIGHT, GAS AND WATER DIVISION GENERAL POWER CUSTOMERS  
JANUARY 2015

## TVA re-opens incentive program for commercial and industrial customers

Starting 1/5/2015, TVA will begin accepting applications for its popular Energy Rights Solutions for Business and Industry program. Previously, TVA had secured funding to start the commercial program but not for the industrial segment. Since then, budget has been allocated for the industrial program also. (Industrial customers are defined as facilities with manufacturing NAICS codes of 21, 23, 31, 32 and 33.)

Energy Right Solutions for Business/Industry has been redesigned to incent customers to include higher levels of efficiency in their retrofitting projects, with variables to help ensure long-term program sustainability. The 2015 fiscal year budget for the commercial program is \$11.8 million, including about \$2.5 million in backlogged projects that are underway. **There is \$5 million newly allocated for industrial projects—with one caveat.** Unlike the business program, applications will only be accepted for industrial projects that can be installed and operational by 7/31/2015.

### Highlights for the revamped program include:

- Qualified higher-efficiency products in HVAC, lighting, food service, water heating and miscellaneous categories.
- Projects must qualify for at least \$500 in incentives per site to be eligible for the standard incentive, or \$1,000 per site for the custom incentive.
- HVAC and food service projects with incentives of \$2,000 and less in the standard process may pre-install, provided the application is submitted within 60 days of installation. (Previously, only HVAC projects could pre-install, which enabled emergency replacement of failed equipment. Food service projects have been added to this emergency replacement clause to encourage higher efficiency selections.) All custom incentive projects still require pre-approval, regardless of technology or dollar value.
- Incentive amounts vary based on the selected measure. Incentives are capped at 70% of project cost. For standard project applications, project cost includes materials only. For custom project applications, project cost includes materials and engineering/design fees.
- All lighting projects must use a Preferred Partners Network (PPN) member to submit the new Energy

## MLGW Rates

MLGW's current and historic electric, natural gas and water rates are published at [www.mlgw.com](http://www.mlgw.com), along with updated Purchased Gas Adjustment and Fuel Cost Adjustment rates.

### Purchased Gas Adjustment (PGA)

MLGW Rate	Consumption	Demand
G-1 residential	\$0.017	na
G-7	\$0.020	na
G-8 / G-9	(\$0.032)	\$0.381
G-10 / G-12	(\$0.019)	na

Monthly adjustment in \$/Ccf to published natural gas rates for meters read on or after 1/2/2015.

### Fuel Cost Adjustment (FCA)

TVA Rate Class	MLGW Rate Code	FCA Amount
GSA, Part 1	E-2	\$0.02181
GSA, Part 2	E-2	\$0.02182
GSA, Part 3	E-2	\$0.02157
Residential	E-1	\$0.02205
Outdoor Lighting	E-3	\$0.02185

Monthly adjustment in \$/kWh to all firm kWh, beginning with meters read on or after 1/2/2015.



## Important Contact Information

Commercial Resource Center:

Monday-Friday

7:30am-5:00pm Central

Phone: 901-528-4270

Fax: 901-528-4547

E-mail: [crc@mlgw.org](mailto:crc@mlgw.org)

Emergency: 901-528-4465

Outage: 901-544-6500

Maintenance,  
Trouble and Gas

Pilot Safety: 901-820-7878

VIEW YOUR BILL ONLINE AT [www.mlgw.com](http://www.mlgw.com)

Calculator documentation quantifying fixture types. However, customers can use their internal staff to install lighting projects, if they choose.

### Highlights about timing of industrial projects

- TVA has made the \$5 million budget available after verifying the status of industrial projects in the backlogged queue. Several of those projects will not be completed, due to deferred capital and other decisions, freeing these funds for new project applications.
- TVA will only accept applications for industrial projects that can be completed by 7/31/2015, ensuring sufficient time for inspections and final approval before the end of TVA's fiscal year.
- Industrial project applications requesting a timeframe after 7/31/2015 will not be qualified.
- Approved industrial projects that do not meet the 7/31/2015 installation deadline may forfeit incentives.
- Industrial projects are defined as qualified energy upgrades at facilities with NAICS manufacturing codes of 21, 23, 31, 32 and 33.

### How to apply for incentives

TVA has implemented a web-based application form, enabling contractors and customers to enter information directly into an application database and grant access to one another to complete the document. The web-based application will be activated on 1/5/2015 at [www.energyright.com](http://www.energyright.com). Select your section (business or industry) and then click on the "How to Get Started" tab to access the application.

## Frigid temperatures expected to drive high electric load this week

Forecasted temperatures for Memphis and the region this week are expected to set January electric system peaks for TVA. Arctic air is poised to move into the region on Wednesday afternoon, 1/7/2015, with temperatures plummeting into the teens by Wednesday evening and to the single digits on Thursday morning, 1/8/2015. Wind chill readings on Wednesday afternoon and evening will be near 0 degrees. Once temperatures fall below freezing late Tuesday night, they are not expected to climb back above freezing until Friday afternoon.

Winter peaks on the TVA system historically are set during morning hours, due to the high percentage of residential electric heat in the region. While TVA's and MLGW's electric systems are stable, customers may wish to consider limiting unnecessary electric use in the early morning to minimize the impact that temperatures will have on the electric system. These conservation efforts will help reduce the need for TVA to operate more expensive peaking plants or to buy excess power at market prices, two factors that affect the variable Fuel Cost Adjustment rider on MLGW rates.

Simple overnight and morning conservation tips for businesses include:

- Adjust the thermostat setting to reduce system operation after employees and customers leave the property.
- Instruct employees to turn off office equipment, supplemental task lighting, personal fans, radios and other electronics before leaving for the day.
- Close blinds and shades before leaving for the day to reduce overnight heat loss.
- Reduce lighting in hallways, meeting rooms, restrooms, parking garages and office spaces.
- Reduce outdoor lighting operation, if feasible.
- Consider installing occupancy sensors in areas only

### Winter Safety Tip

Extended periods of cold weather can result in frozen water lines and flooding when pipes burst. Now is a great time to develop a plan for keeping your facility's plumbing systems protected.

Learn the science behind burst pipes by downloading this guide from the Insurance Institute for Building and Home Safety, [https://www.disastersafety.org/freezing\\_weather/ibs-guide-freezing-bursting-pipes/](https://www.disastersafety.org/freezing_weather/ibs-guide-freezing-bursting-pipes/)

occupied for part of the day, including meeting rooms, restrooms and storage spaces. Sensors use motion detection to turn on when someone enters the room, and then turn off after a period of inactivity.

- Read more detailed heating-related tips in our Business Energy Advisor, <http://mlgw.bizenergyadvisor.com/heating-winter-energy-saving-tips-businesses>

TVA will determine the need for large, organized conservation efforts—including whether to activate the EnerNOC Demand Response program—as they track the situation.

### Did you make facility improvements in 2014?

## Congress extends tax incentives for energy efficiency upgrades

Several tax incentives were extended as part of the Tax Increase Prevention Act of 2014, also known as the “tax extenders package,” passed on 12/19/2014. Qualification levels for energy efficient new and retrofitted commercial buildings did not change from 2013. Eligible projects will qualify if equipment was placed into service by 12/31/2014. The new Congress will determine whether to extend incentives for 2015. Check the Tax Incentives Assistance Project website (<http://www.energytaxincentives.org/>) or consult with your tax professional to learn more.

## TVA renewable generation incentive programs re-open in January

Businesses interested in installing new renewable power generation systems and selling power to TVA have the opportunity beginning in January. Two TVA programs begin accepting applications this month: Renewable Standard Offer on 1/1/2015 and Green Power Providers on 1/26/2015.

Renewable Standard Offer (RSO) is designed to accommodate customers and developers installing more than 50 kW and up to 20 MW of onsite renewable generation. The program pays a variable market rate for 100% of the generation output. The 2015 program includes 100 MW of capacity for RSO with an additional 20 MW earmarked for the Solar Solutions Initiative, a \$0.04 price overlay for solar projects of more than 50 kW up to 1 MW. Participants apply directly to and are paid directly from TVA. This program opens on 1/1/2015. See <http://tva.com/renewablestandardoffer/index.htm> and <http://tva.com/renewablestandardoffer/ssi.htm> for details.

Note: Potential participants should submit an Application for Interconnection to MLGW to gauge the feasibility of interconnecting at the proposed site prior to applying to TVA.

Green Power Providers is designed to encourage MLGW customers to install from 0.5 kW to 50 kW of onsite renewable generation. The program includes a 20-year agreement, with the residential retail rate paid for all 20 years and a premium paid for years 1-10. The premium for 2015 is \$0.02 per kWh. For 2015, there are 4 MW of capacity reserved for residential applications and 6 MW for non-residential. The application process, which starts 1/26/2015, begins with submittal of a Capacity Reservation Request. TVA will launch the web-based application at <http://www.tva.com/greenpowerswitch/providers/>

To date, Shelby County has a combined 3.3 MW of installed solar generation at 72 customer sites under the Green Power Providers program. An additional 0.6 MW of installed solar generation is enrolled in the Renewable Standard Offer.