



Energy Edge

A NEWSLETTER FOR MEMPHIS LIGHT, GAS AND WATER DIVISION GENERAL POWER CUSTOMERS
MARCH 2016

Congress extends tax incentives for energy improvements, renewables

The Consolidated Appropriations Act passed in mid-December 2015 extended and reinstated a variety of Federal energy tax incentives, including those for commercial buildings, residences and renewable power generation. Consult your tax professional to see if improvements at your facility may qualify for these incentives.

Commercial Buildings Tax Deduction

Tax incentives to enhance commercial buildings originally expired in 2014, but have been amended and reinstated for 2016 and retroactively recognized for 2015.

A tax deduction of \$1.80 per square foot is available to owners of new or existing buildings who install (1) interior lighting; (2) building envelope, or (3) heating, cooling, ventilation, or hot water systems that reduce the building's total energy and power cost by 50% or more in comparison to a building meeting minimum requirements set by ASHRAE Standard 90.1-2007. (For projects completed by 12/31/2015, the original criteria, ASHRAE Standard 90.1-2001, remained effective.) Energy savings must be calculated using qualified computer software approved by the IRS.

Deductions of \$0.60 per square foot are available to owners of buildings in which individual lighting, building envelope, or heating and cooling systems meet target levels that would reasonably contribute to an overall building savings of 50% if additional systems were installed. Find details and helpful links at: <http://programs.dsireusa.org/system/program/detail/1271>

Renewable Generation Tax Credits

For commercial solar power generation projects, the Investment Tax Credit (ITC) will be extended through 2021 with a gradual phase down. Projects that start construction by 12/31/2019, will continue to receive a 30% credit of the installed system costs. Projects that commence in 2020 will qualify for a 26% credit, while those that start in 2021 will qualify for a 22% credit. After 2021, the ITC for commercial solar projects will remain at 10% in perpetuity. Another change affects project timing: projects now will receive the credit based on when construction begins, not the year the project is placed into service.

MLGW Rates

MLGW's current and historic electric, natural gas and water rates are published at 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	(\$0.171)	na
G-7	(\$0.184)	na
G-8 / G-9	(\$0.258)	\$0.467
G-10 / G-12	(\$0.237)	na

Monthly adjustment in \$/Ccf to published natural gas rates for meters read on or after 3/2/2016.

Fuel Cost Adjustment (FCA)

TVA Rate Class	MLGW Rate Code	FCA Amount
GSA, Part 1	E-2	\$0.01803
GSA, Part 2	E-2	\$0.01804
GSA, Part 3	E-2	\$0.01781
Residential	E-1	\$0.01826
Outdoor Lighting	E-3	\$0.01832

Monthly adjustment in \$/kWh to all firm kWh, beginning with meters read on or after 3/2/2016.



Important Contact Information

Business Solutions Center:

Monday-Friday

8:00am-4:30pm Central

Phone: 901-528-4270

Fax: 901-528-4547

E-mail:

BusinessSolutionsCenter@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

Non-Business Energy Property Tax Credits

Tax credits for energy improvements to residential properties were also extended and modified. The credits, which ceased on 12/31/2014, have been extended through 12/31/2016. In addition, improvements made after 12/31/2015 must meet new updated Energy Star requirements. Find details and links at:

<http://programs.dsireusa.org/system/program/detail/1274> and
http://www.energystar.gov/about/federal_tax_credits

CUSTOMER UPGRADES DELIVER MAJOR SAVINGS

MLGW named tops in energy efficiency savings, with 36 GWh cut

MLGW customers participating in TVA EnergyRight Solutions programs during fiscal year 2015 can expect to save approximately \$3.4 million in electricity expenses annually, based on their collective energy improvements. This great performance level earned MLGW top ranking in TVA's recently published [EnergyRight Solutions 2015 Highlights Report](#).

MLGW accounted for 12% of EnergyRight Solutions' overall savings for the period of October 2014 through September 2015. Highlights included:

- Main Street Efficiency, a small business lighting upgrade incentive program, recognized two participants for their energy savings: Memphis Music (4,683 kWh) and Memphis Equipment Company (20,081 kWh). The Main Street pilot is in its third year in Shelby County, offering a 50% cost share for qualified indoor and outdoor lighting upgrades for small businesses and organizations with electric demand of 100 kW or less.
- EnergyRight Solutions for Business delivered 28,994,206 kWh in savings locally, also earning MLGW a top spot based on its customers' energy improvement projects. Nearly 2,500 MLGW customers participated, representing 64% of overall program participants, 25% of kWh savings and 38% of kW savings. The report recognized American Snuff for completing a lighting upgrade at its Memphis facility, earning a hefty rebate check and 2.25 GWh of annual electricity savings.
- Online self-audit, a residential component of MLGW's My Account web portal, delivered 1,128,244 kWh of energy savings from 1,569 participants, the highest impact of all TVA distributors. In addition to personalized recommendations and the ability to track energy and water usage, participants receive a free energy efficiency kit to jump-start their energy improvements.

While MLGW facilities participate in applicable TVA programs, the real force behind MLGW's performance is the many local businesses, organizations and households who take advantage of incentive programs to reduce energy waste. Hats off to you!

TVA increases incentives for Electric Forklift Program

TVA announced it will increase available incentives for electric forklift replacements and new purchases, effective 3/8/2016. Last year, TVA began accepting applications for the electric forklift program, part of the EPA non-road transportation project. That initial effort revealed opportunities to increase interest and assist end-use customers through program modifications.

The incentive will increase to \$5,000 for the replacement of internal combustion Class 4 (cushion tire) and Class 5 (pneumatic tire) forklifts with electric-powered Class 1 (counter-balance) or Class 2 (narrow aisle) forklifts for applications received 3/8/2016 through 8/31/2016. This new incentive is designed to increase participation and further reduce the gap between the cost of internal combustion and electric forklifts.

During the same period, a \$3,000 incentive will be extended for the purchase of new Class 1 and Class 2 electric forklifts.

Terms and conditions will remain the same. They include minimum operations at the site, based on the number of shifts per day, a necessity to achieve the program's targeted emissions reduction goal. The electric forklift must remain operational at the site for at least:

- Two years if operating at a 3-shift per day operation
- Three years if operating at a 2-shift per day operation
- Five years if operating at a 1-shift per day operation

For more information about the electric forklift program, visit:

<https://www.tva.com/Energy/EnergyRightSolutions/EnergyRight-Solutions-for-Business+-Industry/Electric-Forklifts-Program> Or contact TVA's Electric Forklift Program representative at (866) 233-0450, or electric.forklift@tva.gov. (Note: TVA's website had not been updated to show the \$5,000 incentive or new documents as of our *Energy Edge* publication date. Please visit on or after 3/8/2016.)

MLGW spends \$47 million with minority, women and local firms

MLGW's Supplier Diversity program reported its highest year-end spending in the history of the program with \$47 million—or 37% of the utility's \$127 million spend for procurement—to minority, women and locally-owned small businesses (MWBE/LSBs) in 2015. This marks a 13% increase from 2014 when the program recorded \$33 million—or 24% of \$144 million—spent with MWBE/LSBs.

MLGW procurement spending includes the purchasing of products, work and services outside the company. Those services include such things as lawn maintenance and information services consulting to products ranging from utility wires, gas pipes and computer equipment. The Supplier Diversity program's spending breaks down to \$18 million to locally-owned small businesses, \$4 million to women-owned business enterprises and \$25 million to minority-owned business enterprises for the industry classified categories of architecture and engineering; construction; goods and supplies and services.

“We are proud of how our Supplier Diversity program is leading the way in the city and continuously doing more business with minority, women and local small companies,” said Jerry Collins Jr., MLGW president. “Each year, our representatives make efforts to reach out to companies and increase our spending with MWBE/LSBs, which is so important to reflect our diversity as a company and it has a direct economic impact on the city of Memphis.”

Through its Sheltered Market program, MLGW spent \$9.5 million in 2015. This race- and gender-neutral program, designed to expand small businesses, shelters any purchase under \$100,000 by offering three or more certified local small businesses the opportunity to bid on products or services.

MLGW will host its fourth annual Procurement Opportunities Fair on 3/30/2016 at 8:00 a.m. at MLGW's Joyce M. Blackmon Training Center, 4949 Raleigh LaGrange Road. For more information about MLGW's Supplier Diversity and Sheltered Market programs, visit www.mlgw.com/supplierdiversity.

Energy Edge is published by the Commercial & Industrial Customer Care department of Memphis Light, Gas and Water Division. Comments and distribution list changes may be e-mailed to: BusinessSolutionsCenter@mlgw.org