SMART INCENTIVES FOR SMART PROJECTS

PROJECT INCENTIVE FUNDS FOR INDUSTRIAL DISTRIBUTION CUSTOMERS

PROJECT EXAMPLE

We award incentive funds for projects that will reduce energy consumption over their entire lifespan, up to 10 years. To determine the total project incentive, we use the smaller of the following three amounts, up to a maximum of $500,000.

1. Seventy-five per cent of the total project cost
2. The amount required to reduce your project's simple payback period to one year
3. The total electricity (in kWh) saved over the project's projected savings lifespan (to a maximum of 10 years), multiplied by the eligible incentive rate (which ranges from $0.015 to $0.035 per kWh saved)

Payment Schedule:
For projects that save less than 500,000 kWh per year and that are eligible for an incentive less than $100,000, we'll issue 100 per cent of the payment after we confirm the completion of the project.

For projects that save more than 500,000 kWh per year or that are eligible for an incentive larger than $100,000, we'll issue 75 per cent of the payment after project completion, and the remaining 25 per cent payment after final project measurement and verification (M&V) by BC Hydro—typically one year after project completion.

Example Project: Compressed Air System Improvements

INITIAL PROJECT COST (WITHOUT INCENTIVE)

Capital costs: $150,000

Annual savings: $50,000 kWh/year (1,000,000/year at $0.05/kWh)

Payback: 3 years

PROJECT INCENTIVE CALCULATION

The lowest of the 3:

1. $112,500 (i.e. 75 per cent of total project cost)
2. $100,000 (i.e. the total cost minus one year's savings)
3. $160,000 (i.e. 1,000,000 kWh/year for 10 years at $0.016/kWh*)

In this case, the total project incentive would be $100,000.

FINAL PROJECT COST (WITH $100K PROJECT INCENTIVE)

Capital costs: $50,000

Payback: 1 year

Electricity Savings after 10 years: $500,000

Up-front Project Incentive: $100,000

Total Project Savings: $600,000

* The incentive rate is determined after a financial evaluation by BC Hydro and ranges from $0.015 to $0.035 per kWh

BC hydro powersmart

IF YOU'RE READY TO EMBARK ON AN ENERGY EFFICIENCY PROJECT!

Contact your Key Account Manager, or give our Customer Care people a call.
604 453 6400 Lower Mainland
1 866 453 6400 elsewhere in BC
bchydro.com/industrial
industrial@bchydro.com

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