Under Pressure to Improve Your Bottom Line?

We can help!

With increasing competitive pressure on your business, energy efficiency just makes sense!

Let us be your source for smart ideas to save money by saving energy.
Energy-Efficiency Benefits

Energy efficiency...

» Is one of the most effective ways to reduce greenhouse gas ("GHG") emissions

» May reduce your operating costs

» May make your work place safer

» May increase productivity and reduce waste

SoCalGas® has technical and financial assistance to help you improve energy efficiency at your facility
SoCalGas offers rebates and incentives that could dramatically improve the payback for your energy-efficiency improvements.

» Energy-Efficiency Rebates for Business ("EERB") Program
» Energy-Efficiency Calculated Incentive Program ("EECIP")
» On-site Energy Assessments
» Zero-Interest Loans
» Training, Education, and Equipment Seminars
» Self Generation Incentive Program
» The U.S. Government’s E3 Program for Manufacturing
Energy-Efficiency Rebates for Business

It’s easy, it’s fast. Our most popular business rebate program offers cash rebates up to $200,000 per business customer, per year.

Commercial Equipment

- Pipe Insulation – up to $3 per linear foot
- Space Heating Boiler - $0.25 per MBtuh
- Tank Insulation – up to $4 per sq ft
- Tankless Water Heater – up to $2 per MBtuh
- Process Boiler - $0.50 per MBtuh
- Storage Water Heater - $2 per MBtuh
- Direct Contact Water Heater - $2 per MBtuh
- Commercial Pool Heaters - $2 per MBtuh
- Commercial (Hot Water) Boiler - $0.50 per MBtuh
- Commercial Steam Traps* - $100 per trap
- Greenhouse Heat Curtains - $0.20 per sq ft
- Residential Clothes Washer used in a business – Up to $75 per unit
- Greenhouse Infrared Film - $0.05 per sq ft

Visit: socalgas.com (search “REBATES”)

*Note – Based on NAICS code, dry cleaners are excluded from this (steam trap) rebate element per CPUC
# Energy-Efficiency Rebates for Business

## Rebates for Food Service Equipment:

<table>
<thead>
<tr>
<th>Equipment</th>
<th>Rebate ($ / unit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combination Oven</td>
<td>$750 / oven</td>
</tr>
<tr>
<td>Commercial Fryer</td>
<td>$500 / vat</td>
</tr>
<tr>
<td>Commercial Griddle</td>
<td>$125 / unit</td>
</tr>
<tr>
<td>Convection Oven</td>
<td>$500 / oven</td>
</tr>
<tr>
<td>Double-rack Oven</td>
<td>$2,000 / oven</td>
</tr>
<tr>
<td>Large Conveyor Oven</td>
<td>$750 / oven</td>
</tr>
<tr>
<td>Large Vat Fryer</td>
<td>$500 / fryer</td>
</tr>
<tr>
<td>Pressureless Steamer</td>
<td>$2,000 / unit</td>
</tr>
</tbody>
</table>
Energy-Efficiency Rebates for Business

Requirements

» All equipment must be new. Fuel switching does not qualify. Qualified equipment must be purchased and installed between January 1, 2010 and December 31, 2012.

» Cooking equipment and pipe insulation does not need to replace old equipment. However, all other equipment listed must replace older equipment.

» All required efficiencies must exceed Title 20 and 24 standards.

» All eligible cooking equipment is listed at the Food Service Technology Center's website at fishnick.com.

» All other equipment can be found on the CA Energy Commission website at appliances.energy.ca.gov.
Energy-Efficiency Rebates for Business

How to apply:

» Call 1-800-508-2348 to reserve funding! Be sure to read the program's terms and conditions.

» Purchase and install new, efficient gas-fired equipment.

» Download and complete the 2012 EERB Guide and Application (PDF). Submit the following documents:
  - Itemized invoice, showing zero balance
  - Equipment manufacturer specification sheet
  - Verification that the equipment meets efficiency requirements

» Mail, fax, or email the application package to:
  - Southern California Gas Company, Attn: EERB, Box 513249, Los Angeles, CA 90051
  - Fax: 213-244-8252, Attn: Rebates for Business.
The EECIP provides incentives to make energy-efficient equipment or process changes at customer’s facility.

EECIP is open to all non-residential customers who:

1. Receive natural gas from SoCalGas, and
2. Pay the Public Purpose Programs (“PPP”) surcharge on the natural gas meter on which the energy-efficiency equipment is proposed.

What projects are eligible?

1. Qualifying customer projects that replace older, less efficient equipment with new, high-efficiency equipment or
2. Comprehensive changes made to a customer’s process that will reduce energy consumption per unit of output and/or improve the process efficiency at customer facilities.

» Incentives may also be offered for **Retrofits** and **New Construction** projects

» Incentives are based on calculated operating measurements and operating data

» Proposed energy-efficiency projects that save >200,000 therms annually require:

  - Certified engineering studies
  - Measurement and Validation (“M&V”) to determine incentive
How does the program work?

An Incentive payment is based on the energy savings resulting from the installation of the agreed upon upgrades.

The incentive is limited to the lowest of the following:

- $1 per therm saved annually.
- Fifty percent of the total project cost for installed measures.
- The incremental measure cost.
- The program cap of a maximum of $1,000,000 per application and $2,000,000 per premise per calendar year.

Note: Project costs may include audits, design, engineering, construction, equipment and materials, overhead, freight, shipping, and external labor on a per measure basis. Costs that do not directly pertain to the Measure installation, as determined in SoCalGas’ sole discretion, are not eligible, nor are internal labour, sales tax and training costs.
Energy-Efficiency Calculated Incentives for Business (EECIP)

How to Apply:

» Contact your Account Executive (AE) or 1-800-Gas-2000 to initiate EECIP application process. Note: An application must be submitted prior to ordering equipment or measures to be eligible to receive Calculated Incentive Program funding.

» Submit a signed and completed application to demonstrate your interest in EECIP.

» Subject the project to an Energy Analysis.

  ▪ All retrofit projects saving less than an estimated 200,000 therms per year require an Energy Analysis, which may include load balance calculations, account history, and engineering review provided by SoCalGas.
  ▪ All retrofit projects saving greater than an estimated 200,000 therms per year will require the customer to provide an Energy Analysis that is stamped by a registered Professional Engineer (“PE”).
  ▪ All new construction projects will utilize the Systems Approach for the Energy Analysis provided by SoCalGas. A copy of the “Energy Savings and Incentive Report” will be provided to the customer as a courtesy.
  ▪ All leased equipment projects will be evaluated on a case by case scenario based on the terms of the lease.

» Receive a Customer Incentive Reservation from SoCalGas.
Energy-Efficiency Calculated Incentives for Business (EECIP)

Projects with Estimated Energy Savings Greater than 200,000 Therms:

1. Complete the Proof of Project Advancement Schedule, which shall establish the timeline and deliverables with respect to customer’s implementation of the measure. This is to demonstrate to SoCalGas that the design and purchase of the measures are progressing at the agreed upon rate and that customer is committed to completing installation of the measures.

2. Complete the Measurement and Verification Plan (“M&V Plan”), which shall identify the method(s) and deliverables with respect to the measurement, verification, and reporting of annual therms saved for the measures.

3. At the conclusion of the project (as identified in the Proof of Project Advancement Schedule and the M&V Plan), customer shall deliver to SoCalGas a final report (“Post M&V Report”), which forecasts the expected annual natural gas therms saved by implementing the measure. SoCalGas shall review the Post M&V Report and, if approved, shall determine the final amount of the incentive based upon the methods of calculating the incentive.
Energy-Efficiency Calculated Incentives for Business (EECIP)

Industrial Steam Trap Program:

In the New Calculated Incentive Program (effective January 1, 2012):

» All industrial steam traps will be under the calculated incentive program (EECIP)

» Industrial sites with greater than 100 traps (x>100) will need to provide a steam trap survey and assessment to receive calculated incentive amount.

» Industrial sites with 100 steam traps or less (x<100) will need to provide a completed SoCalGas steam trap data sheet to receive calculated incentive amount.

Visit us at socalgas.com (search “incentive”).
Examples of Calculated Incentive Measures

- High-efficiency burners
- Recuperative burners
- Regenerative burners
- Furnace pressure controls
- VOC concentrators
- Low density refractory
- Oxy fuel burners
- Absorption chiller improvements
- Condensing water heaters
- Standard economizers / condensing economizers

- Combustion controls
- Heat recovery systems
- Thermal oxidizers
- Furnace replacement w/ more efficient model
- Heat recovery / heat cascading systems
- Quartz windows
- Furnace door seals
- Reverse osmosis systems
- Added effects for evaporators

Visit us at socalgas.com (search “INCENTIVES”)

Incentive measures can cover almost any energy-efficiency opportunity that is not covered by the EERB program.
Plant Energy Assessments

- Provides large customers with on-site energy-efficiency analysis.
- The Energy-Efficiency Audit report provides recommended facility or process upgrades / improvements in order to achieve therm savings and maximize production efficiency.
- Helps customers map out a long term energy improvement plan.
Plant Assessment Services

Small- and Medium-sized customers (under 50,000 therms annually):

» Use the Energy Challenger Survey on-line assessment tool
» Request a visit by an Energy Consultant by calling 1-800-GAS-2000

Large customers (50,000 – 250,000 therms annually), above items, plus:

» Request Assessment services by an Account Executive
» Request Assessment by Engineering Services group through your Account Executive

Assessments for Very Large customers (>250,000 annually), plus:

» Additional assessment opportunities may be available through SoCalGas’ Engineering Services group

Visit us at socalgas.com (search “ASSESSMENTS”).
Zero Percent Financing

The On-Bill Financing ("OBF") Program helps customers finance energy-efficiency measures.

» 0 percent interest, unsecured
» Minimum loan amount - $5,000 per meter
» Maximum loan amount
  - $1,000,000 per meter for State Institutions; $250,000 per meter for Institutional Customers*; $100,000 per meter for Non-Institutional Customer
» Maximum project payback period
  - 10 years (or useful equipment life, whichever is shorter) for all Institutional Customers; Five years (or useful equipment life, whichever is shorter) for Non-Institutional Customers
» Monthly loan payment billed on customer’s utility bill; no penalty for early repayment; non-transferable

*These programs, including zero-interest loans, are funded by California utility customers and administered by Southern California Gas Company under the auspices of the California Public Utilities Commission. Programs are subject to change without notice and available on a first-come, first-served basis until program funds are no longer available. Minimum and maximum loan amounts per meter are $5,000 and $100,000 respectively for eligible business customers that participate in our rebate/incentive programs. Customer results cited may not be typical. Additional conditions apply. Southern California Gas Company is not responsible for any goods or services selected by the customer.
Energy Resource Center
9240 E Firestone Bl, Downey, California
Energy Resource Center
Education and Training

» Our well established Combustion Seminars
» LA Steam Operator training
» U.S. Dept. of Energy Qualified Specialist certification courses
» Lean manufacturing and sustainable energy courses
» Boiler water treatment courses
» Certified Green Building Professionals
» Foodservice energy-efficiency training classes

Most of the energy-efficiency training courses are provided to customers at no charge
You can see what is offered and sign up on-line!
Visit us at socalgas.com (search “Seminars”).
Self Generation Incentive Program (SGIP)

The Self Generation Incentive Program (SGIP) provides financial incentives for the installation of new, qualifying self-generation equipment installed to meet all or a portion of the electric energy needs of a facility.

**Eligibility:** Based on greenhouse gas (GHG) reductions. Non-renewable CHP eligibility determined on project-by-project basis. Electric-only technologies using fossil fuels will need certification of performance according to a testing protocol.

**GHG baseline:** 349 kg CO2/MWh. This avoided emission factor does not account for avoided transmission and distribution losses. The actual on-site emission rate that projects must beat to be eligible for SGIP participation is 379 kg CO2/MWh. Eligibility is determined based on a cumulative 10 years performance.

**Storage Eligibility:** Stand-alone as well as paired with SGIP eligible technologies or PV. Advanced Energy Storage (AES) must be able to discharge its rated capacity for a minimum of 2 hours.

**Biogas Eligibility:** on-site and in-state directed. Directed biogas contracts must be for a minimum of ten years, and provide a minimum of 75 percent of the total energy input required each year. On-site biogas must also provide 75 percent of the total energy input required each year.

**System size:** No minimum or maximum size restrictions given that project meets onsite load. Wind & renewable-fueled fuel cell: 30kW minimum, smaller projects may apply to the California Energy Commission’s Emerging Renewables Program.
### Self Generation Incentive Program (SGIP)

#### Incentive Levels:

<table>
<thead>
<tr>
<th>Technology Type</th>
<th>Incentive ($/W)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Renewable and Waste Energy Recovery</strong></td>
<td></td>
</tr>
<tr>
<td>Wind Turbine</td>
<td>$1.25</td>
</tr>
<tr>
<td>Waste Heat to Power</td>
<td>$1.25</td>
</tr>
<tr>
<td>Pressure Reduction Turbine</td>
<td>$1.25</td>
</tr>
<tr>
<td><strong>Non-Renewable Conventional CHP</strong></td>
<td></td>
</tr>
<tr>
<td>Internal Combustion Engine - CHP</td>
<td>$0.50</td>
</tr>
<tr>
<td>Microturbine – CHP</td>
<td>$0.50</td>
</tr>
<tr>
<td>Gas Turbine – CHP</td>
<td>$0.50</td>
</tr>
<tr>
<td><strong>Emerging Technologies</strong></td>
<td></td>
</tr>
<tr>
<td>Advanced Energy Storage</td>
<td>$2</td>
</tr>
<tr>
<td>Biogas</td>
<td>$2</td>
</tr>
<tr>
<td>Fuel Cell - CHP or Electric Only</td>
<td>$2.25</td>
</tr>
</tbody>
</table>
Self Generation Incentive Program (SGIP)
How to Apply

A. Before you apply:
   1. Decide what type of technology you are interested in
   2. Our Account Executives may be able to assist you
   3. Consider how you’ll be financing the project. You may be eligible for other incentives
   4. Download the **2012 Handbook and forms** found at PAs WebPages

B. Reservation Request (RRF)
   1. Decide if applying as 2-step, or 3-step non public or 3-step public application
   2. Collect required documentation
   3. Mail or email the Reservation Request Forms (RRF) and attachments
   4. The Southern California Gas Company will review your application for eligibility. If eligible you will receive Reservation letter and next step instructions

C. Proof of Project Milestone (PPM)
   1. Step 2 applications go to ICF as step 2 applications provide **Proof of Project Milestone (PPM)** documentation at the RRF
   2. Step 3 **non-public entity applications** will need to provide **PPM** documentation within 60 days
   3. Step 3 **public entity applications** will need to provide an executed contract or RFP within 60 days and the remaining PPM documentation within 240 days
   4. After review you will receive a letter with next step instructions

D. Incentive Claim (ICF)
   1. Once your system is completely installed and is operational, you can submit the Incentive Claim Form
   2. All step 3 applications must be completed within 18 months
   3. Step 2 applications must be completed within 12 months
The SGIP 2012 Program Year will open April 12, 2012

The 2012 SGIP Handbook and Forms are posted on the SoCalGas website at: socalgas.com/innovation/self-generation/

SB412 extends the sunset date of the SGIP from January 1, 2012 to January 1, 2016

SB412 allows any new eligible technologies for the SGIP be based on the requirement that they “achieve reductions of greenhouse gas emissions” pursuant to the California Global Warming Solutions act of 2006
Self Generation Incentive Program

For more information on the Self Generation Incentive Program:

Contact: Rosalinda Magana
Self Generation Incentive Program Manager
Ph: 213-244-3351
Email: RMagana@semprautilities.com
The E3 Program - Federal Programs Working Together

DOC NIST
Manufacturing Extension Partnership

DOE Industrial Technologies Programs and IAC

MEP and EPA Green Suppliers Network

EPA Pollution Prevention and Climate Leaders Programs

DOL Employment and Training

SBA and its Small Business Development Centers
The E3 Program

The goal of the E3 Program is to promote:

- Sustainable / lean manufacturing practices
- Energy efficiency
- Waste reduction
- Pollution prevention / reduction
- Grow jobs here in the U.S.
- Financial resources to help industry make changes
Benefits for Manufacturers

Cost Savings
- Significant cost savings result from increased process efficiencies and reduced waste
- Profitable sustainability practices

Increased Competitiveness
- State-of-the-art sustainable business practices
- Technical support to drive entry into new markets
- Job creation and retention

Access to Technical and Financial Resources
- Additional funding through federal and state programs
- Enhanced skills and capabilities for workers
The E3 Program

» The Southern California Administrator of the E3 Program is California Manufacturing and Technology Consulting (CMTC) organization

» Geb Church, CMTC Email: gchurch@cmtc.com
   Phone: 310-924-0922

» For more information, visit: E3.gov
For more information

If you have questions about any of the information presented today, please contact:

Your Account Executive

or

1.800.GAS.2000

or

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CGoff@semprautilities.com
213-244-3635