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Seattle City Light

January 20, 2021

Energy Efficiency as a Service – Program Manual

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1 GLOSSARY

“Adjusted Baseline Energy” represents what the baseline energy use would have been if the project Energy Conservation Measures (ECMs) had never been installed, under the same set of post-retrofit conditions.

“Avoided Energy Use” (for existing buildings) is the reduction in energy use that occurred in the Performance Period, relative to what would have occurred if the facility had been equipped and operated as it was in the baseline period, but under Performance Period conditions. Unless and until City adopts another method of quantification consistent with industry best practices, Seattle City Light will base Avoided Energy Use for Existing Buildings on a formula in this format:

Avoided Energy Use (or Energy Savings) = Adjusted Baseline Energy - Performance Period Energy +/- Non-Routine Adjustments

For New Construction, City will consider the difference between the City of Seattle Energy Code target energy use (C401) and the Participant’s actual energy use to be the Avoided Energy Use unless and until City adopts another method of quantification.

“Baseline Conditions” means the conditions of the existing buildings as found in the baseline period. Baseline Conditions are generally described in an Energy Audit (e.g.: ASHRAE Level II audit).

“Baseline Data” means the measurements and facts describing facility operations and design during the baseline period. This will include energy use or demand, parameters of facility operation that govern energy use or demand, and definition of Static Factors for the Site.

“Baseline Model” means the mathematical representation or calculation procedure used to predict the energy use in a building or facility had no ECMs been implemented. Models may be based on equations that specifically represent the physical processes or may be the result of statistical analysis of energy-use data, or other techniques City reasonably determines to be appropriate for Project purposes.

“Baseline Model Equation” means the specific mathematical representation or equation governing the prediction of energy use had no ECMs been implemented at the Site.

“City” Means the City of Seattle, a Washington State municipal corporation, doing business by and through its Seattle City Light department (“City Light”)

“Efficiency Energy” is the calculated Avoided Energy Use harvested at the Site by the EE Developer, which is quantified by the M&V Consultant. This is an energy efficiency resource.

“Energy Conservation Measure” (“ECM”) is any type of energy conservation or efficiency energy project or activity that is related to the installation, repair, or replacement of energy-efficient equipment or building systems, implementation of capital projects, operational & maintenance (O&M) improvements, or new means of training or managing users of the space, intended to improve the energy productivity of or generate Efficiency Energy at the Site.

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“Energy Efficiency as a Service Charge” (“EEaS Charge”) means the dollar amount per kWh of Efficiency Energy that shall be billed to the City Light Customer by the City, as determined in the Customer Participation Agreement. (See Customer Participation Agreement Appendix A)

“Energy Efficiency Service Fee” (“EE Service Fee”) means the charges for Efficiency Energy the City will bill the City Light Customer based on the Avoided Energy Use at the Site.

“Efficiency Energy Developer” (“EE Developer”) means the party who holds this Power Purchase Agreement with the City for the sale of Efficiency Energy to the City from the Avoided Energy Use at the Site.

“Measurement and Verification Consultant” (“M&V Consultant”) means an independent third-party who will develop and implement an approach to use data-driven models with meter data and other variables to calculate Adjusted Baseline Energy, which will be used by City Light to determine the Avoided Energy Use and Efficiency Energy at the Site..

“Measurement and Verification Plan” (“M&V Plan”) means the Program’s M&V guidelines and methodology approved by Seattle City Light. Seattle City Light intends for M&V Plan to follow industry standard practices for whole-building estimates of energy savings and non-routine adjustments, if any are needed.

“Measurement Boundary” is the boundary drawn around whole-building meters and building systems to segregate those which are relevant to savings determination from those which are not. The Measurement Boundary shall be determined by the primary utility account and corresponding interval meters, which make up at least 90% of the Site’s electricity consumption.

“New Construction” means (1) construction of a new building or structure, (2) an increase in the conditioned floor area or height of an existing building or structure, or (3) major changes in space use type such as major renovations.

“Non-Routine Adjustments” (“NRA”s) are adjustments to the Baseline Model to account for Non-Routine Events, which occurred during the baseline or Performance Period and cannot be modeled using the considered independent variables.

“Non-Routine Events” (“NRE”s) are changes in building energy use not attributable to changes in the independent variables used in the Baseline Model nor to the ECMs that were installed. In the case of an NRE, the Avoided Energy Use may be adjusted by making Non-Routine Adjustments.

“Participant” is the party who owns the Site. Participants may enter the agreement through an agent with appropriate authority, such as a management or operating entity, who is the City Light customer.

“Participation Agreement” means the agreement between Seattle City Light and the Participant, where the Participant agrees to pay Seattle City Light an Energy Efficiency Service Fee throughout the term of the contract for the Efficiency Energy generated at the Site.

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“Performance Period” for Existing Buildings, refers to the period of time after the EE Developer has implemented initial ECMs at the Site resulting in a reduction in monthly energy consumption of at least 10% relative to the Baseline Model and written approval has been provided by Seattle City Light. For New Construction projects, the Performance Period begins when the building is 75% occupied and written approval has been provided by City Light.

“Power Purchase Agreement” (“PPA”) means the agreement between Seattle City Light and the Efficiency Energy Developer for the purchase of Efficiency Energy from the Site at the PPA Price throughout the Term of the contract.

“Power Purchase Agreement Payment” (PPA Payment)” means the amount to be paid to the EE Developer for delivered Efficiency Energy after each billing cycle throughout the Term of Agreement.

“Power Purchase Agreement Price” (“PPA Price”) means the dollar amount per kilowatt-hour of Efficiency Energy that shall be paid by the City to the EE Developer, expressed in cents per kilowatt-hour, for the delivery of Efficiency Energy from the EE Developer to the City at the Site during the Term of Agreement. (See Power Purchase Agreement Appendix A)

“Program” means Energy Efficiency as a Service Pilot Program which contains a Power Purchase Agreement between the City and the EE Developer whereby the City pays for Efficiency Energy generated at the Site, and an additional Participation Agreement between the Site’s City Light Customer and the City under which Participant pays EE Service Fees to City to receive Efficiency Energy .

“Project” means the collection of ECMs implemented at the Site by the EE Developer throughout the Term of Agreement, which result in the generation of Efficiency Energy.

“Site” means the actual building location that the efficiency energy work will take place. The Site encompasses the Measurement Boundary.

“Static Factors” means energy-governing factors that are not usually expected to change (e.g., facility size, design and operation of installed equipment, number of weekly production shifts, or type or number of occupants). The associated static factors must be monitored for change throughout the reporting period.

2 PURPOSE

This is the Program Manual for the EEaS Pilot Program. This manual introduces the concepts and processes of the Program. The manual provides potential participants with information that will help to determine if this Program is right for their facility. The information in this Program Manual supersedes any prior information released regarding the EEaS Pilot Program. A finalized form of this manual will be incorporated into and subject to terms and conditions of the Program Participation Agreement for City Light Customers and Power Purchase Agreement for Efficiency Energy Developers.

Customer Energy Solutions, a division of Seattle City Light, is seeking participants for a new pilot Program called Energy Efficiency as a Service (EEaS) through a Request for Projects (RFP), in accordance with City [Ordinance 125556](#), which authorized the execution of agreements with up to 30 buildings for up to 20 years, for the purchase and/or sale of energy under the Energy Efficiency as a Service Pilot Program (EEaS Program).

This second project solicitation seeks up to 10 buildings to participate in the Program. Seattle City Light anticipates a future project solicitations to allow for additional use cases.

3 EEAS PROGRAM GOALS

3.1 Energy Efficiency Goals

Through the EEaS Program, Seattle City Light aims to:

1. Unlock deeper energy efficiency in commercial buildings by paying for measured electricity savings over time instead of providing an upfront incentive.
2. Test a mechanism to lessen the “split incentive”¹ between owners and energy users at scale in order to encourage production of greater energy efficiency to reduce City Light electricity production costs.
3. Test a variety of use cases to build upon lessons learned from the innovative Metered Energy Efficiency Transaction Structure (MEETS) prototype project at the Bullitt Center (as approved in Ordinance 124604).

3.2 Workforce Development Goals

To better match the purchase of conservation resources with the values of the City of Seattle, EE Developers participating in EEaS must aim to meet or exceed workforce development goals. Specifically, [Ordinance 125556](#), Section 4 states that agreements entered under EEaS Program must aim to meet or exceed the standards set forth in Seattle’s Priority Hire statute (SMC 20.37.040), which includes but is not limited to the following:

- Use labor that is receiving area standard wages for all craft workers;
- Provide bona fide benefits, vacation, health and welfare, apprenticeship and training funds;
- Meet or exceed 15% apprenticeship utilization per craft;
- Set and meet goals for hiring women and racial minorities as well as for hiring Women- and Minority-Owned Business Enterprises (WMBE) for Developers, and;
- Set and meet goals for hiring women and racial minorities from pre-apprenticeship programs.

The goal of requiring reporting requirements is not to monitor workplace practices or supervise construction, but to align workforce development values.

¹ A split incentive occurs when one party receives the financial benefits resulting from reduced energy bills after an energy retrofit, rather than the entity who paid for the project.

4 WHAT IS EEAS?

The Seattle City Light Energy Efficiency as a Service (EEaS) pilot Program intends to encourage electrical efficiency through deep retrofits in existing buildings and high-performance design in new construction. With this Program, Seattle City Light is creating a monthly transaction mechanism to quantify and return the value of the energy efficiency savings to the party responsible for delivering the efficiency to Seattle City Light. EEaS aims to unlock deeper energy efficiency in commercial buildings by helping to overcome the split incentive and paying for measured electricity savings over a longer time horizon (up to 20 years). EEaS is a mechanism wherein building owners pay Seattle City Light to receive energy efficiency benefits generated at their building and Seattle City Light uses a portion of those payments to buy the energy efficiency benefits from the party who generates them by installing energy improvements.

Without energy efficiency improvements, a building's energy consumption typically remains flat over time. However, once a capital energy project is implemented, monthly energy use and utility bills are often reduced. Participants in EEaS will make monthly payments to Seattle City Light equivalent to what their electricity bill likely would have been had no energy improvements occurred, keeping the electricity bills "neutral"², as illustrated in Figure 1. Under the EEaS Program, Seattle City Light will bill customers in the Program for actual electricity use, plus an "energy efficiency service fee" (EE Service Fee). The EE Service Fee is based on a calculated Avoided Energy Use. The Avoided Energy Use is the building baseline electricity consumption use minus the actual current electricity consumption for a particular billing period. This is multiplied by the EEaS Charge (\$/kWh) for the billing period to calculate the EE Service Fee. Details on the billing procedure are provided in [Section 5.2 Contract Structure](#). The EEaS Charge approximates the electricity rate for the duration of the contract.

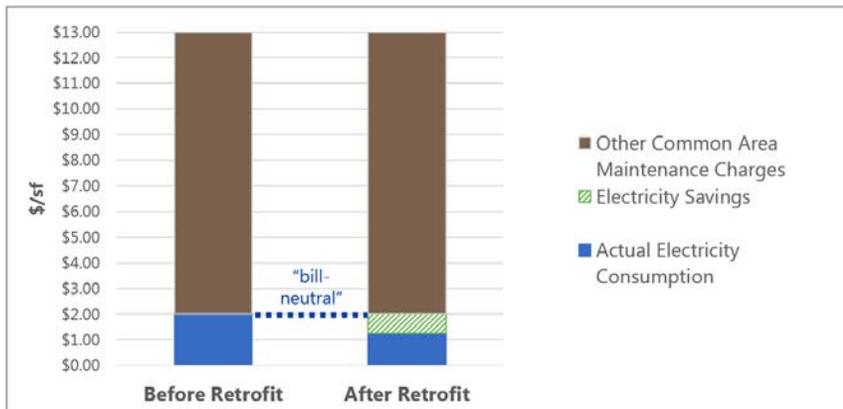


Figure 1. Example of Tenant Bill Neutrality

² "Neutral" means the intent for the EE service fee plus the bill for usage to be equivalent to what the energy user would have paid absent the improvements based on agreed modeling. Seattle City Light cannot guarantee this amount will be absolutely equivalent.

5 THE EEAS PROGRAM STRUCTURE

5.1 Roles and Responsibilities

In order to describe the EEaS Program structure, it is helpful to first to identify the main parties involved.

5.1.1 Participant

The Participant is the party who owns the site. The building owner (either in their own capacity or through a designated agent) is the City Light Customer who is the Participant in the EEaS Program and will be the party holding the Participation Agreement (PA) with Seattle City Light.

The Participant is responsible for accurately collecting and maintaining Site information and project data in ENERGY STAR Portfolio Manager®. If the Participant chooses to pass all or a portion of EE Service Fee payments to tenants, Participant is responsible for accurately identifying that the EE Service Fee is charged to the building as part of participation in the EEaS Program, and is not an electricity rate payment. A key goal of Seattle City Light is transparency of operations to customers. While Seattle City Light intends to set the EE Service Fee at a level that keeps total payments to City Light “neutral” with respect to a building that had not been improved, the party responsible for paying that fee should understand that this payment is in addition to and separate from the standard rate payment for electricity used during the billing period.

In order to run the EEaS Program and conduct Avoided Energy Use calculations, City Light requires access to Baseline Data. Providing City Light access to this data will be the responsibility of the Participant. The Participant can provide access to this data directly, or through a third party working on behalf of the Participant.

5.1.2 Efficiency Energy Developer (EE Developer)

The EE Developer is the party responsible for improving the energy performance of the building by implementing Energy Conservation Measures (ECMs). They will typically secure the investment for the ECMs. The EE Developer will be the party holding the Power Purchase Agreement (PPA) with Seattle City Light and will receive the PPA payment. The role of the EE Developer may be played by the owner, an owner’s representative, or a contractor or developer hired by the owner.

The EE Developer is responsible for reporting on a quarterly basis on status of ECMs, occupancy changes, Non-Routine Events (NREs), and workforce development efforts on capital projects.

5.1.3 Seattle City Light

Seattle City Light is the utility responsible for billing the City Light Customer per the PA and paying the EE Developer per the PPA, based on the Efficiency Energy delivered at the Site. Seattle City Light will review reported and detected NREs and approve NRAs. Interviews and site visits may be performed by Seattle City Light staff or entities appointed by Seattle City Light, as appropriate, to verify ECMs, the presence of NREs, and confirm accuracy of reporting by the Participant and/or EE Developer.

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Seattle City Light will oversee and approve adjustments and improvements to the M&V methodology used by the M&V Consultant, including the use of updates made to the Program's M&V processes. Seattle City Light will review and approve savings recommendations provided by M&V Consultant.

Seattle City Light will bear the general program costs related to set up and maintenance of the M&V tracking system, and the M&V Consultant fees.

5.1.4 Measurement and Verification Consultant (M&V Consultant)

The M&V Consultant is a third party specialist, hired by Seattle City Light to create and maintain the Baseline Model for all participating buildings, quantify the Avoided Energy Use and Efficiency Energy to be transacted upon, advise on technical issues, monitor ongoing performance, identify Non-Routine Events, and perform Non-Routine Adjustments.

5.2 Contract Structure

City Light will implement the EEaS Program by entering two contracts: a Participation Agreement (PA) and a Power Purchase Agreement (PPA). The PA is an agreement between the Participant and City Light by which Participant agrees to pay the EE Service Fee in exchange for Efficiency Energy. The PPA is an agreement between the EE Developer and City Light by which the City pays the EE Developer for delivery of Efficiency Energy. The PA and PPA set out the terms and conditions for Program participation, which include conditions of payment, requirements for compliance and options for transferability or termination.

Examples of EEaS transactions are summarized visually below in Figures 2a and 2b. Arrows in the figures show payments. Other models might be implemented by participants.

Seattle City Light does not make recommendations on how to structure agreements associated with EEaS between project parties. Neither the PA or nor the PPA create third-party beneficiaries. A Participant should not expect to be granted any rights from the PPA and an Efficiency Energy Developer should not be expected to be granted any rights from the PA. Seattle City Light is not responsible for any agreement made outside of the PA and the PPA. To the extent building tenants will pay for or receive Efficiency Energy, they will do so as a matter of contract with the building owner and not as part of the EEaS Program with City Light.

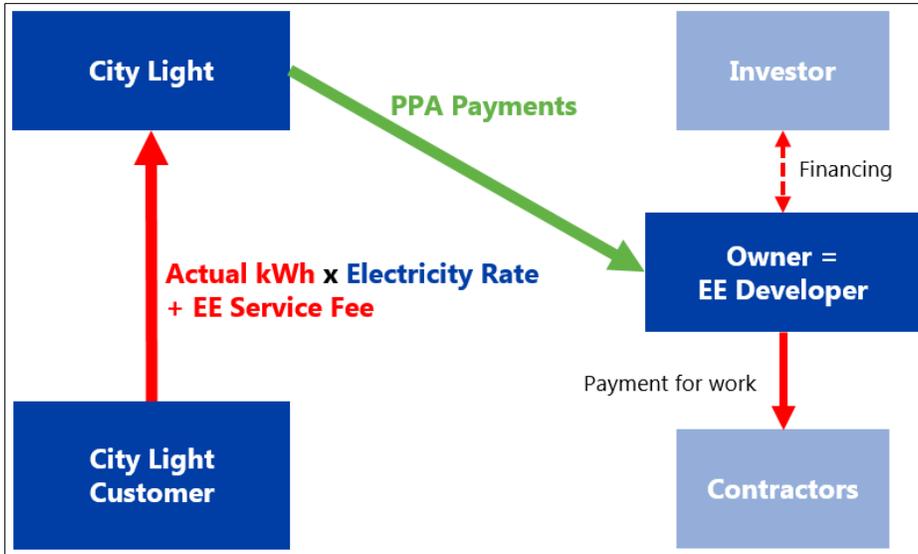


Figure 2a. Example of payments flow in EEaS (EE Developer = Owner)

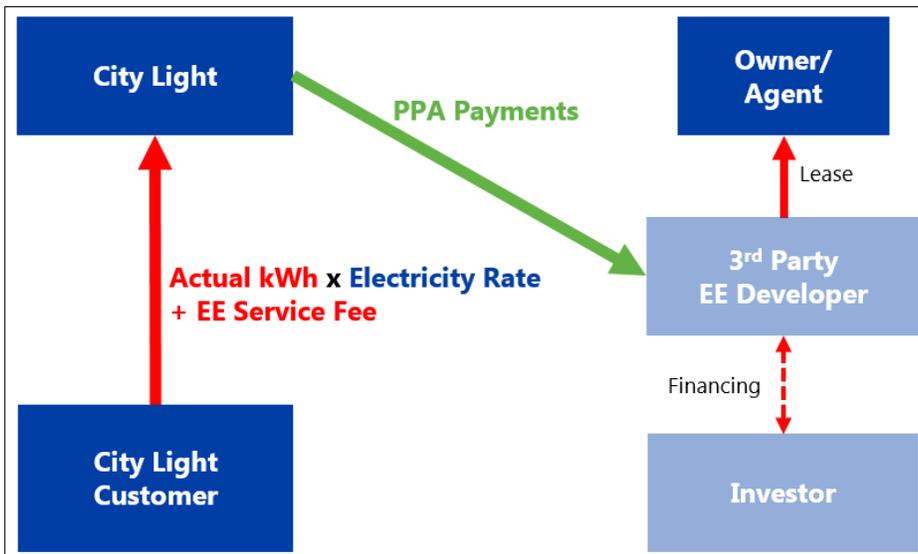


Figure 2b. Example of payments flow in EEaS (EE Developer = 3rd party)

5.2.1 Participation Agreement (PA)

The Participation Agreement will be between the Participant and Seattle City Light. By signing the PA, the Participant agrees to allow Seattle City Light to bill the City Light Customer for actual electricity use and for Efficiency Energy through an EE Service Fee throughout the duration of the contract term.

5.2.1.1 Energy Efficiency Service Fee

The EE Service Fee is calculated by subtracting the actual electricity from the approved building baseline (aka "Avoided Energy Use" or "electricity savings"), then multiplying by the EEaS Charge, as illustrated below in Figure 3.

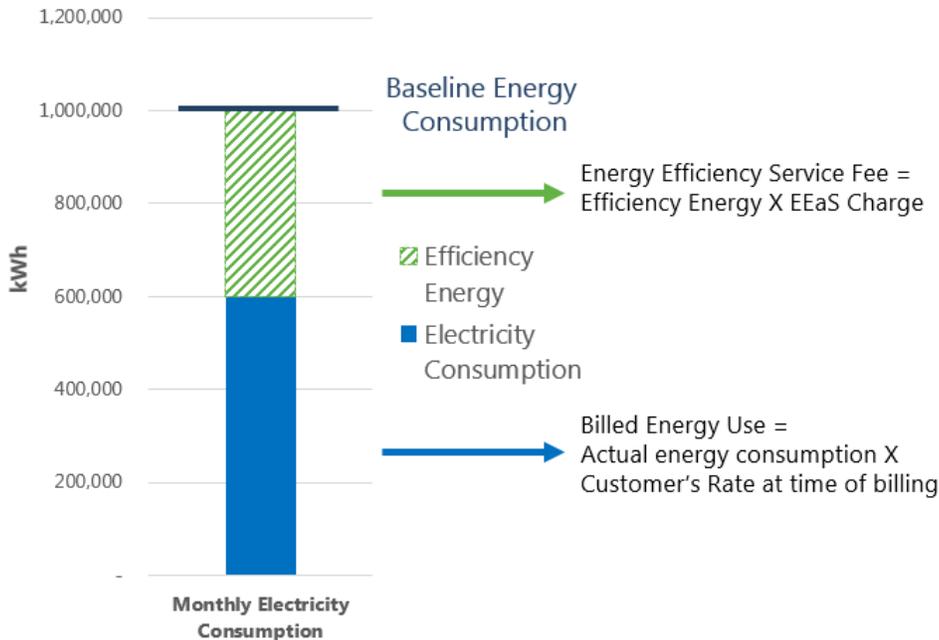


Figure 3. Basis of EEaS Seattle City Light Charges

For each billing cycle, the customer will see two charges. Seattle City Light will first charge the Customer for actual kWh delivered based on the applicable retail kWh rate at the time of billing (e.g. \$0.08/kWh). A second charge, the “EE Service Fee”, will be applied for the value of the Efficiency Energy as calculated per [Section 7 M&V and Data Requirements](#). The fee is determined by multiplying the Efficiency Energy (kWh) by the EEaS Charge.

$$EE\ Service\ Fee = (EEaS\ Charge \times Efficiency\ Energy)$$

- 1. The EEaS Charge.** The EEaS Charge is set at the start of the contract and differentiated based on participant’s project type, customer classification (based on the primary account) and site location. The following is how the EEaS Charge will be determined for projects selected to the Program.:

- a. Retrofit-High Demand General Service.** The initial EEaS Charge for Retrofit projects, that fall under the High Demand General Service (HDS) rate structure, will be determined by analyzing the Site’s baseline period’s billing prior to contract execution to determine the total kWh consumed during on-peak and off-peak hours. The volume of kWh on peak and off peak will be converted to the % of total kWh for the billing periods included in the baseline period. The on peak % will be applied to current on-peak rates and the off peak % to current off-peak rates. These totals will be combined and the average volumetric price will be used to represent a weighted-average kWh pricing using the applicable HDS rate for the Site at time of contracting.

$$Initial\ EEaS\ Charge = (\% \text{ On-Peak} \times \text{On-Peak HDS rate} + \% \text{ Off-Peak} \times \text{Off-Peak HDS rate})$$

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- b. Retrofit-Large General Service.** The initial EEaS Charge for Retrofit projects, that fall under the Large General Service (LGS) rate structure, will be determined by analyzing the Site’s baseline period’s billing prior to contract execution to determine the total kWh consumed during on-peak and off-peak hours. The volume of kWh on peak and off peak will be converted to the % of total kWh for the billing periods included in the baseline period. The on peak % will be applied to current on-peak rates and the off peak % to current off-peak rates. These totals will be combined and the average volumetric price will be used to represent a weighted-average kWh pricing using the applicable LGS rate for the Site at time of contracting.

$$\text{Initial EEaS Charge} = (\% \text{ On-Peak} * \text{On-Peak LGS rate} + \% \text{ Off-Peak} * \text{Off-Peak LGS rate})$$

- c. Retrofit-Medium General Service.** Retrofit projects that fall under the Medium General Service rate structure at time of agreement execution will have the following initial EEaS Charge.

Customer Location	2021 EEaS Charge
Non-Downtown Network	\$0.0803/kWh
Downtown Network	\$0.0987/kWh

- d. Retrofit-Small General Service.** Retrofit projects that fall under the Small General Service rate structure at time of agreement execution will have the following initial EEaS Charge.

Customer Location	2021 EEaS Charge
Non-Downtown Network	\$0.1053/kWh
Downtown Network	\$0.1053/kWh

- e. New Construction-Large General Service.** New Construction projects that fall under the Large General Service rate structure at time of agreement execution will have the following initial EEaS Charge.

Customer Location	2021 EEaS Charge
City Network	0.0810/kWh
Non-Downtown, Non-City Network	\$0.0874/kWh
Downtown Network	\$0.0928/kWh

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- f. New Construction-Medium General Service.** New Construction projects that fall under the Medium General Service rate structure at time of agreement execution will have the following initial EEaS Charge.

Customer Location	2021 EEaS Charge
Non-Downtown Network	\$0.0803/kWh
Downtown Network	\$0.0987/kWh

- g. New Construction-Small General Service.** New Construction projects that fall under the Small General Service rate structure at time of agreement execution will have the following initial EEaS Charge.

Customer Location	2021 EEaS Charge
Non-Downtown Network	\$0.1053/kWh
Downtown Network	\$0.1053/kWh

- 2. EEaS Charge Annual Adjustment.** An escalator of 2.0% will be applied to the EE Service Fee every December to establish the EEaS Charge for the subsequent year.

5.2.2 Power Purchase Agreement (PPA)

The PPA will be between the EE Developer and Seattle City Light. Potential EE Developers include the building owner itself or an owner’s agent or third-party contractors or developers hired by the owner. The PPA authorizes the EE Developer to receive payment from Seattle City Light based on measured electricity savings.

The PPA includes a commitment to workforce development goals and the EE Developer’s reporting requirements. See [section 3.2 Workforce Development Goals](#) and [section 8.5 Workforce Development Reporting Requirements](#) for additional details.

5.2.2.1 Power Purchase Agreement Payment

For each billing cycle during the Performance Period, the EE Developer will receive a payment from Seattle City Light for the Efficiency Energy. The PPA payment will be calculated per [Section 7 M&V and Data Requirements](#). The payment is determined by multiplying the Efficiency Energy (kWh) by the PPA Price (e.g. \$0.084/kWh).

$$PPA\ Payment = (PPA\ Price \times Efficiency\ Energy)$$

- 1. Initial PPA Price.** The PPA Price is established at the start of the contract and differentiated based on Participant’s project type, customer classification (based on the primary account) and

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site location. The following is how the PPA Price will be determined for projects applying in the second solicitation phase:

- a. Retrofit-High Demand Service.** The initial PPA Price for Retrofit projects, that fall under the High Demand General Service (HDS) rate structure, will be determined by analyzing the Site’s baseline period’s billing prior to contract execution to determine the total kWh consumed during on-peak and off-peak hours. The volume of kWh on peak and off peak will be converted to the % of total kWh for the billing periods included in the baseline period. The on peak % will be applied to current on-peak rates and the off peak % to current off-peak rates. These totals will be combined and the average volumetric price will be used to represent a weighted-average kWh pricing. The PPA Price will be this weighted-average price multiplied by 0.93.

$$\text{Initial PPA Price} = (\% \text{ On-Peak} * \text{On-Peak HDS rate} + \% \text{ Off-Peak} * \text{Off-Peak HDS rate}) * 0.93$$

- b. Retrofit-Large General Service.** The initial PPA Price for Retrofit projects, that fall under the Large General Service (LGS) rate structure, will be determined by analyzing the Site’s baseline period’s billing prior to contract execution to determine the total kWh consumed during on-peak and off-peak hours. The volume of kWh on peak and off peak will be converted to the % of total kWh for the billing periods included in the baseline period. The on peak % will be applied to current on-peak rates and the off peak % to current off-peak rates. These totals will be combined and the average volumetric price will be used to represent a weighted-average kWh pricing. The PPA Price will be this weighted-average price multiplied by 0.93.

$$\text{Initial PPA Price} = (\% \text{ On-Peak} * \text{On-Peak LGS rate} + \% \text{ Off-Peak} * \text{Off-Peak LGS rate}) * 0.93$$

- c. Retrofit-Medium General Service.** Retrofit projects that fall under the Medium General Service rate structure at time of agreement execution will have the following initial PPA Price.

Customer Location	2021 PPA Price
Non-Downtown Network	\$0.0747/kWh
Downtown Network	\$0.0918/kWh

- d. Retrofit-Small General Service.** Retrofit projects that fall under the Small General Service rate structure at time of agreement execution will have the following initial PPA Price.

Customer Location	2021 PPA Price
--------------------------	-----------------------

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Non-Downtown Network	\$0.0979/kWh
Downtown Network	\$0.0979/kWh

- e. New Construction-Large General Service.** New Construction projects that fall under the Large General Service rate structure at time of agreement execution will have the following initial PPA Price.

Customer Location	2021 PPA Price
City Network	\$0.0754/kWh
Non-Downtown, Non-City Network	\$0.0813/kWh
Downtown Network	\$0.0863/kWh

- f. New Construction-Medium General Service.** New Construction projects that fall under the Medium General Service rate structure at time of agreement execution will have the following initial PPA Price.

Customer Location	2021 PPA Price
Non-Downtown Network	\$0.0739/kWh
Downtown Network	\$0.0904/kWh

- g. New Construction-Small General Service.** New Construction projects that fall under the Small General Service rate structure at time of agreement execution will have the following initial PPA Price.

Customer Location	2021 PPA Price
Non-Downtown Network	\$0.0979/kWh
Downtown Network	\$0.0979/kWh

- 2. PPA Price Annual Adjustment.** An escalator of 2.0% will be applied to the PPA Price every December to establish the PPA Price for the subsequent year

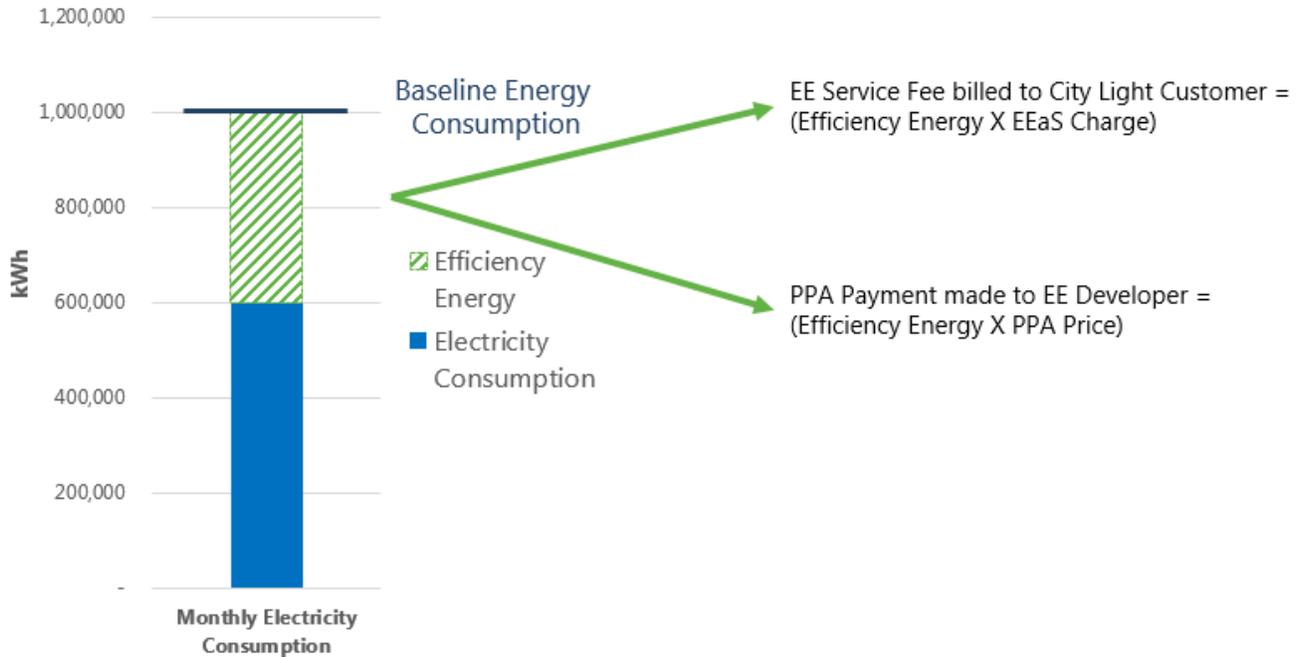


Figure 4. Illustration of Efficiency Energy dependent transactions

5.2.3 EEaS Transaction Timeline

After the Performance Period has begun, Seattle City Light intends to use the following sequence to bill the City Light Customer and pay the EE Developer for delivered Efficiency Energy:

1. End of City Light Customer's billing period.
2. Seattle City Light generates normal utility electricity usage bill.
3. Seattle City Light will provide M&V Consultant necessary information to quantify baseline energy use and Avoided Energy Use.
4. M&V Consultant will provide Seattle City Light a detailed summary of Avoided Energy Use after receiving necessary information from Seattle City Light.
5. Seattle City Light will verify the Avoided Energy Use and calculate Efficiency Energy, EEaS Charge and EE Service Fee.
6. Seattle City Light will include the EE Service Fee on the Participant's subsequent bill and process the PPA payment to Efficiency Energy Developer.

When Non-Routine Events occur, Seattle City Light will continue to bill the Participant and make PPA Payments to the EE Developer based on the current Baseline Model at the time of billing, until it is established whether a Non-Routine Adjustment is required, and if so that Non-Routine Adjustment is validated and finalized. At that point retroactive adjustments shall be made on a subsequent billing cycle.

6 PROGRAM ELIGIBILITY

The following criteria must be met for a project to be considered for the EEaS Program

6.1 Participant Eligibility

1. Participant must own the building.
2. Participant must have a satisfactory record of payments and/or satisfactory performance in contracting and/or transacting with Seattle City Light.

6.2 Efficiency Energy Developer Eligibility

1. EE Developer must have a demonstrated experience with projects of similar size and complexity.
2. EE Developer must have a demonstrable history of satisfactory contract performance with utilities.

6.3 Building Eligibility

At this time, and in this project solicitation phase, Seattle City Light is not seeking participation from buildings with residential tenants, or where multiple commercial or residential tenants have their own unique City Light accounts³. In future project solicitations, acceptable use cases may be modified, and building, project, and customer eligibility may change.

1. Building must be located in Seattle City Light electric service territory.
2. Primary utility account must account for more than 90% of the building's electricity consumption.
3. Primary utility account must be on a commercial rate code.
4. City Light meters associated with the primary account must be interval meters.
5. Building's conditioned floor area must be greater than 50,000 square feet.
6. All electricity metered must be from the subject building (i.e. no electricity is supplied from any other building).
7. Building must have at least 12 months of energy consumption history (existing buildings only).
8. If new construction or major renovation:
 - a. Electricity is sole fuel source for all end-uses. (Emergency back-up power exempt from this)
 - b. Must demonstrate compliance with Seattle Energy Code via the Target Performance Path (C401.3).

6.4 Project Eligibility

6.4.1 Existing Buildings

1. Weather and/or occupancy must be an acceptable predictor of electrical energy consumption. The

³ New Construction Multifamily (R2) projects that have been granted a Master Metering exception by Seattle City Light can apply to the Program.

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building's Baseline Model must meet the "goodness-of-fit" criteria outlined in the EEaS M&V Requirements. If this requirement cannot be met because of a significant change in use type (e.g., office building is turned into a hotel), the building can apply through the New Construction pathway.

2. During the term of the contract, the project must plan to implement deep capital Energy Conservation Measures that reduce electricity consumption at least 25% compared to the building's baseline.

6.4.2 New Construction Buildings

1. The project must plan to implement deep capital energy projects saving more than 25% compared to the maximum allowable energy use specified in Seattle's Energy Code C401.3.
2. The project must demonstrate compliance with the Seattle Energy Code through the Target Performance Path C401.3.

6.4.3 Building Additions or Major Space Use Type Changes

1. Additions or space use type changes shall be considered new construction and must use electricity provided by Seattle City Light for all energy sources⁴.
2. If the site's original building footprint is unaffected, the existing building's Baseline Model may continue to be used for that section of the building, provided existing and new parts of the building are separately metered, and only if it is still an accurate predictor of the Adjusted Baseline Energy use.
3. The project must plan to implement deep capital energy projects saving more than 25% compared to the maximum allowable energy use specified in Seattle's Energy Code C401.3.
4. The project must demonstrate compliance with the Seattle Energy Code (SEC) through the Target Performance Path C401.3. adopted at the time of construction or renovation.

⁴ Photo-voltaic panels are allowed but must have a utility meter. Power generated will be subtracted from the Adjusted baseline energy use as discuss in section 7.3.2.3. Emergency or back-up generation is permitted. All fuel use must be accurately reported using ENERGY STAR Portfolio Manager.

7 M&V AND DATA REQUIREMENTS

7.1 M&V Fundamentals

The M&V Consultant is a third party specialist, hired by Seattle City Light for this Program. Their role is to calculate monthly Avoided Energy Use values using industry-standards for whole building-based savings. The data used by the M&V Consultant includes, but is not limited to, Seattle City Light revenue-grade metering data, billing data, and building data collected through quarterly reports, ENERGY STAR Portfolio Manager, and Requests for Information.

Avoided Energy Use for new construction projects will be calculated by comparing the building's actual consumption to a baseline, set by the maximum energy use specified in Seattle's Energy Code C401.3, as described in [section 7.3 New Construction M&V](#).

7.2 Existing Buildings M&V

7.2.1 Eligibility of fuels and Measurement Boundary

Existing buildings that currently use non-electric fuels may participate in the Program. However, Seattle City Light cannot pay for a conversion from one energy source to another "under Washington State Law."⁵ In addition, Seattle City Light cannot provide monthly EEaS payments to the owner or EE Developer for any non-electric savings as Seattle City Light is not the utility provider for these fuels. As a result, these fuels shall be monitored, but non-electrical energy savings will not be quantified as Avoided Energy Use savings in the EEaS Program.

To participate, owners must agree to not reduce electricity use by switching services that are delivered using electricity to delivery using another fuel source, e.g. reducing electric heating by increasing gas heating, and agree to reduce electricity consumption by 25% or more. The primary concern is fuel-switching in order to increase payments to the EE Developer/Participant.

The EE Developer and/or Participant must proactively report to City Light when non-electric fuel increases occur. The M&V Consultant will also scan ENERGY STAR Portfolio Manager data for any changes in non-electric fuel and flag fuel-switching events.

In the case of lighting conversion projects that cause interactive heating and cooling effects, the lighting conversion project will likely have a net benefit kBTU reduction (eliminating the heat load of the lights as well as saving lighting energy). Natural gas increases from the project shall not remove a project from enrollment. However, the M&V Consultant will estimate natural gas fuel increases due to

⁵ See RCW 35.92.360.

interactive effects using engineering calculations.⁶

On-site generation must have an approved Seattle City Light interconnection agreement and meter. Energy production from any on-site generation will be monitored and removed from the quantification of Avoided Energy Use of the Site.

For buildings with multiple accounts or meters, at least 90% of the electricity use of the building must be on one Seattle City Light account and utilize interval meters, as determined in the baseline year. Any remaining electricity use would be considered outside of the Measurement Boundary of this Program and will not be analyzed.

7.2.2 M&V Methods & Protocols

Avoided Energy Use for existing buildings that participate in the Program will be calculated using an existing conditions baseline calculated using historic energy use and through the methodology outlined in ASHRAE Guideline 14, Section 4 and 5.1, Whole Building Performance Path.

Seattle City Light may change its methodology for calculating Avoided Energy Use, EE Service Fee amounts, and PPA Payments in its sole discretion, based on changes in industry best practices and reasonable utility business judgment. City Light will provide reasonable notice to Participant and EE Developer before implementing a new methodology.

7.2.3 M&V Process

7.2.3.1 Baseline Data

The Participant and the EE Developer shall provide the following information to Seattle City Light for the baseline period:

- Historical monthly utility billing and fuel use information (can be provided through access to the building's ENERGY STAR Portfolio Manager account)
- Occupancy data (% leased sf)
- Floor area data (gross sf)
- Space use type information
- Engineering description of building systems and operations, occupancy hours, weekend operations
- Details on possible NREs during the baseline period, including but not limited to: COVID period operations, manual adjustment to control system settings, ...
- Detailed description of control system points and trends, availability of historical trend data
- Detailed description of available building energy submeters (systems metered, data recording interval, and amount of historical information)
- Description of Static Factors for the building

⁶ Seattle City Light uses gas heating factors published by the 7th Power Plan, which average as a 1.4% increase in gas heating from lighting conversions.

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- Detailed description of all project-related activities, dates of project start and completion, and a description of the magnitude and expected duration of ECM savings
- Other data as requested

7.2.3.2 Baseline Protocol

The City and its M&V Consultant will use ASHRAE Guideline 14, Section 4 and 5.1, Whole Building Performance Approach as a basis to set the monthly baseline for existing buildings. The Baseline Model shall be selected based on the simplest model with the best R Squared and CV(RSME), as detailed in the M&V Plan.

7.2.3.3 Performance Period

The Performance Period for an existing building starts after a capital upgrade specified in their ECM plan is complete and when the electricity savings reach at least 10% of monthly baseline energy use. Once determined, Seattle City Light will provide written notification confirming the start date of the Performance Period.

7.2.3.4 Savings Estimates

To calculate the Adjusted Baseline Energy, Performance Period weather (and other independent variables (e.g.: occupancy data or a suitable proxy) if relevant)⁷ will be applied to the Baseline Model. Energy savings for the site are estimated by summing the differences between the actual energy and Baseline Model's Adjusted Baseline Energy.

$$\text{Avoided Energy Use (or Energy Savings)} = \text{Adjusted Baseline Energy} - \text{Performance Period Energy} +/\text{- Non-Routine Adjustments}$$

7.2.3.5 Non-Routine Events

Non-Routine Events are changes in building energy use that are not attributable to changes in the independent variables used in the Baseline Model or to the ECMs that were installed.

The City Light and the M&V Consultant will work with the EE Developer and Participant to identify Non-Routine Events and make corresponding Non-Routine Adjustments for events that fall outside of normal operations of the building and significantly impact the Avoided Energy Use calculations, including NREs occurring in the baseline period.

EE Developers will provide documentation, at a minimum, in the quarterly reports to explain the NREs. They should log these events as they happen, describing what the change was, when it happened, the duration, and the anticipated impact on energy use. Ideally, participants can take advantage of tracking

⁷ Relevant independent variables will be specified by the M&V Consultant

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systems already in use in the building such as building automation or work-order management systems, capital projects, and tenant change logs. When necessary, the City will issue requests for information (RFIs) to obtain information on various building matters, including Non-Routine Events or anomalies in building energy data.

Examples of Non-Routine Events include:

- Change in space use type, such as from retail to restaurant.
- Expansion or destruction of conditioned building floor area (see NRA section below).
- Addition or removal of large equipment, such as data servers, kilns, and refrigerators.
- Change in operating hours or operations.
- Fuel switching on water or space heat.
- Addition or removal of electric vehicle infrastructure.
- On-site generation.
- Occupancy changes that are not captured in the Baseline Model, measured by leased square footage.
- Temporary, one-time, or rare events that fall outside of regular operation conditions, such as power loss or emergency operations.

Temporary events that are expected to occur in regular operating conditions, for example, normal building closures, maintenance events, or control sequence overrides, are not considered an NRE and will not be removed from the data.

7.2.3.6 Non-Routine Adjustments (NRAs)

If a Non-Routine Event is determined to be significant, the M&V Consultant will recommend a Non-Routine Adjustment to Seattle City Light for approval. Ideally these adjustments will be based on verified sub-metered data. Otherwise, the M&V Consultant may estimate Non-Routine Adjustments with statistical or engineering methods.

Procedures to identify and quantify Non-Routine Events and when and how to perform Non-Routine Adjustments (based on the M&V Plan, and IPMVP's Application Guide on Non-routine Events and Adjustments) may be updated by Seattle City Light to reflect best industry practice during the EEaS Program.

If the building increases in size or changes use type during the Performance Period, Seattle City Light may choose to pivot the baseline to the new construction methodology described below, as the Baseline Model is no longer representative of how much energy the building would have used had no ECMs occurred, throughout the term of the PA and PPA.

The new Baseline Model shall use the maximum allowable energy use set by Target Performance Path in the Seattle Energy Code (C401.3) adopted at the time of renovation.

- Additions or substantial remodels that change the use type must be electric-only.

- The original footprint of the building may continue to use non-electric fuels and the Baseline Model equation defined in [Section 7.2.3.2 Baseline Protocol](#).

7.3 New Construction M&V

New construction projects will use the M&V methodology and requirements outlined in this section. New construction projects are defined by the following: (1) construction of a new building or structure, (2) an extension or increase in the conditioned floor area or height of a building or structure, or (3) significant changes in space use type.

7.3.1 Eligibility of Fuels and Code as Baseline

Seattle City Light provided electricity must be the sole fuel source for all end-uses in new construction projects, with the following exceptions:

- Backup Generator fuel use is allowed, but must be reported accurately and consistently in ENERGY STAR Portfolio Manager.
- On-site generation must have an approved Seattle City Light interconnection agreement and revenue grade meter. Energy production shall be monitored.

In addition, new construction projects must pursue the Target Performance Path (C401.3) as means of compliance with Seattle Energy Code.

For building being permitted under 2015 SEC; the participant site's annual baseline is the energy use target required in the SEC Target Performance Path (C401.3). Eligible building types and energy use target Energy Use Intensities (EUI, in kBTU/ft²/year)⁸ are as follows :

- Office (40 kBTU/ft²/yr)
- Medical Office (50 kBTU/ft²/yr)
- Retail (60 kBTU/ft²/yr)
- Multifamily (35 kBTU/ ft²/yr) *(if granted Master-metering exemption)*

The target EUIs may also include partial loads from:

- Data centers as allowed in C401.3.2.1
- Parking garages (6 kBTU/ ft²/yr for open garages, 10 kBTU/ ft²/yr for enclosed)

For buildings being permitted under subsequent versions of the Seattle Energy Code; the participant site's annual baseline will be set using the maximum allowable energy use under the Target Performance Path (C401.3) for the building. Residential new construction projects will only be allowed

⁸ Based on the energy model and the densities allowed in SEC 2015 section C401.3.4, the total allowable EUI may be greater than these specific targets. The Target Performance Path section is updated in the SEC 2018.

to participate if they have been granted a master metering exemption by the utility.

For buildings with multiple accounts or meters, at least 90% of the electricity use of the building must be on one account and utilize interval meters, as determined in the baseline year. Any remaining electricity use will be considered outside of the Measurement Boundary of this Program and will not be analyzed.

7.3.2 M&V Process and Methodology

7.3.2.1 Baseline Model Development

For new construction projects, the Seattle Energy Code C401.3 and Code Official requirements shall guide the development of the Baseline Model.

For building being permitted under 2015 SEC; the total allowable annual baseline EUI shall be determined by the code-based allowable energy use targets for the building. Code-based targets for Group R-2⁹, S1 & S-2, E, and I-2 are currently excluded from the Phase 2 EEaS solicitation.

For mixed-use buildings, Seattle City Light will use a floor area-weighted kBTU/ft² to calculate the baseline EUI, as shown below.

Example 1 – Office Building

	<i>Square Feet by Use Type (ft²)</i>	<i>Baseline EUI (401.3.2 Code) (kBTU/ft²/yr)</i>
Office	100,000	40
Enclosed Parking	15,000	10
Total / Weighted	115,000	36.09

Example 2 – Mixed Use Building

	<i>Square Feet by Use Type (ft²)</i>	<i>Baseline EUI (401.3.2 Code) (kBTU/ft²/yr)</i>
Office	100,000	40
Medical Office	50,000	50
Retail	25,000	60
Total / Weighted	175,000	45.71

For building being permitted under subsequent versions of Seattle Energy Code; the maximum allowable energy use for the building will be determined using the methodology outlined under the Target Performance Path (C401.3) of the version of the SEC used for permitting of the project.

⁹ Projects with individually-metered multifamily (R2) are currently excluded. Multifamily (R2) projects that have been granted a Master Metering exception can apply to the Program.

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The M&V Consultant will use the Participant's energy model (proposed model) submitted to the Seattle Department of Construction and Inspections (SDCI) to demonstrate energy code compliance to calculate the first year's values of the Baseline Model. The Participant will make the energy model data files and reports available to City Light and the M&V Consultant upon permit approval.



Chart 1. Example First Year Baseline Model and Proposed Model

7.3.2.2 Performance Period

The Performance Period for new construction starts after occupancy reaches at least 75% (measured in % leased square footage). Once determined, Seattle City Light will provide written notification confirming the start date of the Performance Period. Seattle City Light shall be notified immediately if occupancy decreases below the 75% target.

7.3.2.3 Savings Estimates

The M&V Consultant shall ensure that the Baseline Model and the actual energy use (for each billing period) do the following:

- Describe the same Measurement Boundary.
- Describe the same time period.
- Use the same assumptions and calculations.
- On-site generation is correctly removed from the Avoided Energy Use savings.

For any weather adjustments, the M&V Consultant shall adjust the EUI baseline per Seattle Energy Code C401.3.9.

7.3.2.4 Annual Routine Adjustments (new construction only)

Each year throughout the term, the Participant's Baseline Model shall be adjusted in the following ways:

- Actual energy use data shall be used to update the shape of the curve for the next year. The total maximum allowable energy use will be based on the Seattle Energy Code the building is permitted under.
- For buildings permitted under SEC 2015, the total allowable annual baseline EUI will be adjusted for any data center, cold years, or retail operating hours as allowed by SEC sections C401.3.2.1, C401.3.9, and C401.3.10.

Any other types of adjustments will follow the Non-Routine Event and Non-Routine Adjustment sections below.

7.3.2.5 Non-Routine Events (NREs)

Non-Routine Events are changes in building energy use that are not attributable to changes in the independent variables used in the Baseline Model or to the ECMs that were installed.

NREs for new construction are limited to:

- Change in space use type or space type mix, such as from retail to restaurant or vice versa.
- Expansion or destruction of conditioned building floor area.
- Changes in leased square footage that drop the building below 75% occupied.
- Electric vehicle charging infrastructure (shall be sub-metered and added to the baseline).
- On-site generation (shall be sub-metered and removed from the Avoided Energy Use of the Site).

7.3.2.6 Non-Routine Adjustments (NRAs)

For new construction projects, only the NREs listed above can trigger a Non-Routine Adjustment. When these NREs are significant, the M&V Consultant will recommend Seattle City Light make a Non-Routine Adjustment to the Participant's code baseline.

Occupancy changes between 100% and 75% occupancy in new construction use cases do not require a non-routine adjustment. Below 75% occupancy, the Participant and EE Developer will need to resubmit their SDCI proposed model adjusted for the major occupancy changes.

If there is an addition or building use type change¹⁰ during the Performance Period, Seattle City Light may choose to pivot the Baseline Model to another use type code baseline, as the Baseline Model is no longer representative of how much energy the building would have used had no improvements

¹⁰ See SEC 2015 C401.3.8 – C401.3.10 for guidance.

occurred.

7.4 Data Requirements

The Participant and EE Developer will collaborate on developing the project's application and provide as complete and accurate data as possible during the application. When selected, City Light and the M&V Consultant will work with the Participant and EE Developer to ascertain all required data to develop the Baseline Model. This will be done through meetings and requests for information (RFIs). The Participant and EE Developer are expected to complete these requests for information to the best of their ability. Requests for information will be used by City Light as needed throughout the contract period.

The participating building's ENERGY STAR Portfolio Manager profile and energy use information must be accurately collected and maintained by the Participant. The Participant will grant Seattle City Light, and any agent working on the City's behalf as part of the EEaS Program, access to the Site's data as it relates to participation in the EEaS Program, including but not limited to the Site's ENERGY STAR Portfolio Manager profile, interval data, and other supporting data throughout the term of the Participation Agreement.

Project information will be provided by the EE Developer to Seattle City Light on a quarterly basis throughout the term of the PPA, using the report format provided by City Light. The Participant and EE Developer will grant Seattle City Light, and any agent working on the City's behalf as part of the EEaS Program, access to the project's data as it relates to the participation in the EEaS Program, including but not limited to workforce data.

The EE Developer shall provide to Seattle City Light and their M&V Consultant on a quarterly basis updated forms specifying building data, including:

- ECM Plan status.
- Confirmed changes in space use, gross square footage, leased square footage, and/or implementation of non-project related capital projects.

7.5 Quality Assurance and Quality Control (QA/QC)

Data quality procedures to verify the quality and accuracy of the projects before, during, and after ECMs have been implemented, will be administered by the M&V Consultant as they relate to monthly estimation methods, and NRE detection and quantification methods. Seattle City Light will evaluate quantitative and qualitative aspects of the Program and its participating projects.

Seattle City Light reserves the right to perform random site verifications of the participating projects in order to monitor project quality and savings. Seattle City Light reserves the right to review documentation supporting any data submitted by Participants and EE Developers.

8 PROGRAM REQUIREMENTS

8.1 Participant Requirements

1. Participant must notify all tenants who will be required to pay all or a portion of the EE Service Fees dictated by Program participation. Tenant notification must at a minimum state that the EE Service Fee, charged to the building as part of participation in the EEaS Program, is not an electricity rate payment. Participant will not represent or imply that EE Service Fees are a City Light charge for electricity delivered. Participant will provide evidence of this notice to City Light upon request.
2. Participant must give Seattle City Light and the M&V Consultant access to their ENERGY STAR Portfolio Manager account. Participant agrees to upload energy consumption to Portfolio Manager monthly, and maintain other relevant data housed in the Portfolio Manager system.
3. Participant must grant the M&V Consultant access to Seattle City Light billing information and interval meter data (e.g. through MeterWatch) for the participating building.
4. Participant must provide building data with City Light and the M&V Consultant required to develop a viable baseline and determine Avoided Energy Use. The Participant can provide access to this data directly, or through a third-party working behalf of the Participant.
5. Participants must respond to RFIs in a timely manner.

8.2 EE Developer Requirements

1. EE Developer must provide Seattle City Light with quarterly reports throughout the duration of the construction and Performance Period.
2. EE Developer must adhere to their workforce development plan and report at 50% and 100% completion of construction, for projects over 5 million dollars.
3. EE Developer must achieve at least 10% electricity savings after the construction period. (Existing Buildings only)
4. EE Developers must respond to RFIs in a timely manner.

8.3 Building Requirements

1. All participating buildings must be set-up and current (within 2 months) in ENERGY STAR Portfolio Manager.
2. Buildings located in the City of Seattle must be in compliance with the City of Seattle's Energy Benchmarking and Reporting program. See www.seattle.gov/environment/benchmarking for more information.

8.4 Project Requirements

1. Quantification of Avoided Energy Use shall exclude the effect of any on-site generation. Any on-site generation must be outside the project boundary and separately metered with a revenue grade meter.
2. Participant must provide and maintain a list of ECMs to be implemented as part of the project and keep Seattle City Light informed on the status of implementation on a quarterly basis.

3. The participating building will not be eligible for any other Seattle City Light efficiency programs while participating in the EEaS Program. (Participants are free to pursue other grant or incentives from non-City Light funding sources for efficiency work that effects other fuel/energy sources.)

8.5 Workforce Development Reporting Requirements

The EE Developer will be required, under the PPA, to report workforce development metrics listed below for capital projects above 5 million dollars in total capital project costs. The goal of requiring reporting is not to monitor workplace practices or supervise construction, but to align workforce development values with those of the City. Reporting will be required for all energy efficiency related capital project work over 5 million dollars in total capital project costs performed to achieve the proposed savings, including the construction period.

As this is not a public works project, the EE developer shall aim to meet or exceed the goals set by the EE Developer in the project solicitation. Ideally, these goals will align with the standards set forth in Seattle's Priority Hire statute (SMC 20.37.040), which includes, but is not limited to, the following:

- Use labor that is receiving area standard wages for all craft workers;
- Provide bona fide benefits, vacation, health and welfare, apprenticeship and training funds;
- Meet or exceed 15% apprenticeship utilization per craft;
- Set and meet goals for hiring women and racial minorities as well as for hiring Women- and Minority-Owned Business Enterprises (WMBE) for Developers, and;
- Set and meet goals for hiring women and racial minorities from pre-apprenticeship programs.

The forms for reporting on workforce development will be required at the 50% and 100% completion point of each capital project above 5 million dollars and will be submitted to City Light. Reports will require the following details:

- Whether or not workers are receiving area standard wages and bona fide benefits;
- Apprenticeship utilization percentage;
- Priority hire utilization (% of workers who live in economically distressed zip codes);
- Utilization of women and people of color;
- Women and minority business enterprise utilization, and;
- Percent utilization of women and people of color from pre-apprentice programs.

9 PARTICIPATION PROCESS

9.1 Submit Project Proposal

By April 30, 2021

1. Develop a project plan outlining ECMs and their specific contribution to your proposed EUI or kWh savings goal.
2. Complete and submit the Project Application.

9.2 Await Response Regarding Selection

April 30, 2021 – May 31, 2021

1. Seattle City Light will conduct eligibility checks and project scoring based on selection criteria.
2. Seattle City Light, at its discretion, may interview and/or send requests for information to representatives of the proposed projects considered most competitive.
3. Seattle City Light will notify successful candidates of their selection status by email.

9.3 Contract with Seattle City Light (If Selected)

1. Seattle City Light's M&V Consultant will develop a Baseline Model which will be used as the basis for measuring electricity savings. Participant and EE Developer may review the Baseline Model and request adjustments (adjustments are subject to Seattle City Light approval).
2. Participant (Building Owner or Owner's Representative) will sign Participation Agreement with Seattle City Light.
3. Participant indemnifies Seattle City Light against tenant complaints.
4. EE Developer signs PPA with Seattle City Light.
5. The term of the contracts starts when both contracts are signed.

9.4 Construction Period

1. Implement ECMs or construct/renovate facility (if new construction).
2. Submit an updated Workforce Development report to Seattle City Light at 50% and 100% completion of construction, for projects over 5 million dollars.
3. Notify Seattle City Light when the ECM project(s) or construction has been completed.

9.5 Performance Period

1. In order to start the Performance Period and initiate EEaS transactions, the following conditions need to be met:
 - For Existing Building projects, >10% electricity savings must occur on a monthly basis.
 - For New Construction projects, the building must have over 75% occupancy as measured by leased square footage.

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2. EE Developer submits an updated quarterly reporting package to Seattle City Light
3. Seattle City Light and M&V Consultant will monitor building performance and submittals for NREs (using quantitative and qualitative data). As part of this, Seattle City Light and M&V Consultant may interview and/or send requests for information to the Participant and/or EE Developer.
4. M&V Consultant will conduct any NRAs as necessary. Participant and EE Developer will be notified of any NRAs and may review the updated Baseline Model and request adjustments (adjustments are subject to Seattle City Light approval).
5. Seattle City Light will include the EE Service Fee on the Participant's subsequent bills and process the PPA payment to Efficiency Energy Developer. City Light Customer shall pay Seattle City Light utility bill including EE service fee.
6. Continue identifying, implementing, and evaluating ECMs.

9.6 Program Evaluation

Seattle City Light will conduct evaluations and interview or survey a sample of Participants, EE Developers, and Customers during the Performance Period. These may be randomly selected to voluntarily provide additional information regarding their participation in the Program. Interview or survey questions may cover topics such as, but are not limited to:

- Satisfaction with the EEaS process
- Satisfaction with the ECMs implemented at the Site
- Motivations for carrying out the ECMs, perception of non-energy benefits, sharing of EEaS experience with the industry, etc.
- NRE occurrence (e.g. increased or decreased occupancy, addition/removal of energy using equipment, etc.) during the Performance Period that might have affected energy use
- Business model approach
- Barriers to success
- Potential improvements to the program design, especially as related to scaling the pilot Program to the next phase
- Confidence levels in and satisfaction with the M&V process

10 PROPOSAL REQUIREMENTS

The following section describes the requirements for the proposal documentation. Each application must specify who will assume the role of Participant and EE Developer and provide contact information for both parties for the application submittal to be considered complete. Seattle City Light may ask for additional information or clarification during the selection process. All proposal documentation must use a font size of 10 or larger.

The entire proposal package must not exceed 23MB.

10.1 Letter of Interest/Introduction

(Max 2 pages)

10.2 Participant Information

10.2.1 Participant

(Submission form)

1. Company name
2. Authorized signer
3. Project contact
4. Contact information
5. Owner's representative information (if applicable)

10.2.2 Efficiency Energy Developer

(Submission form)

1. Company who will assume the role of the EE Developer. This company will be the recipient of the PPA.
 - a. Name
 - b. Years in business
2. Authorized signer
3. Project Manager
4. Contact information

(Supporting Documentation (Max 4 pages))

5. Description of company
6. Resume of project manager
7. List and summary of similar projects completed
8. References

10.2.3 Participation details

(Submission form)

1. How is the split incentive between landlord and tenant present in your building?
2. How are energy costs allocated to your tenants? (i.e. submetering, square-footage allocation, etc.)
3. Types and quantity of lease type(s) present in the building.
4. What is your desired term length? (up to 20 years)

10.3 Building Description

(Submission form)

1. General description of building;
 - a. Name, address(es)
 - b. Year built
 - c. Years owned
 - d. Number of tenants
 - e. Number of stories
 - f. Gross and conditioned building square footage
2. Square footage by occupancy type from ENERGY STAR Portfolio Manager.
3. Inventory of all energy sources and Seattle City Light accounts (must be reflected in ENERGY STAR Portfolio Manager).
4. Annual use of other energy sources (natural gas, steam, solar, oil).
5. General description of existing building systems, including controls system, HVAC, lighting, envelope, etc. (existing only).
6. Occupancy rate by month for prior 12 months as a percent of leasable square feet (existing only).
7. General weekly occupancy schedule (e.g. 12 hours per day, M-F).
8. Recent major changes to space use, building systems, or occupancy (existing only).
9. Expected major changes to space use, building systems, fuel type, or occupancy over the next 5 years.

(Supporting Documentation)

10. Most recent statement of Energy Performance from ENERGY STAR Portfolio Manager.

10.4 Project Description

(Submission Form)

1. Overview of the types of Energy Conservation Measures (ECMs) planned:
 - a. ECM description,
 - b. Project type (i.e. capital, behavioral, O&M, etc.),
 - c. Estimated annual energy savings from preliminary audit(s),
 - d. Estimated completion date

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2. Commitment to share ENERGY STAR Portfolio Manager account of the building.

(Supporting Documentation (Max 2 pages))

3. Summary of the ECM study and savings calculation methodology.

10.5 Workforce Development

(Submission Form)

1. Commitment to report on workforce development efforts:
 - a. Workers receiving prevailing wage
 - b. Workers receiving bona fide benefits
 - c. Apprenticeship utilization percentage
 - d. Priority Hire utilization
 - e. Utilization of women and people of color
 - f. Women and minority business enterprise utilization
 - g. Women and people of color from pre-apprentice programs
2. Description of strategy to achieve Priority Hire workforce goals.

11 PROPOSAL SUBMITTAL

Proposals must be delivered to Seattle City Light electronically. Proposals received after the deadline will be considered for the next selection period, if offered. All times listed below are Pacific Standard time.

All proposals become the property of the City of Seattle and can be subject to the public disclosure requests. The content of all proposals will be treated as confidential; any proprietary data must be clearly marked "Confidential - Proprietary Information." Proposals entirely marked as confidential will not be accepted.

1. Proposals must be received by Seattle City Light no later than the date and time given in [Section 13 TIMELINE/SCHEDULE](#), except as revised by Addenda.
2. All pages are to be numbered and identify the project submittal. The format should follow closely to that requested in [Section 10 PROPOSAL REQUIREMENTS](#).
3. The submitted proposal shall cover all topics and details identified in sections 10.1 through 10.5 of this Program Manual. Each section of the proposal shall be aligned with the section headers in sections 10.1 through 10.5.
4. The City has page limits specified in [Section 10 PROPOSAL REQUIREMENTS](#). Any pages that exceed the page limit will be excised from the document for purposes of evaluation.
5. The proposer has full responsibility to ensure the response arrives at the City within the deadline. A response submitted or delivered after the time fixed for receipt will not be accepted unless waived as immaterial by the City, given the specific fact-based circumstances. Responses arriving after the deadline may not be considered for this solicitation round, may be included for future selection processes, or the Seattle City Light may accept the package and make a determination as to lateness.

Submittal

1. Send electronic submittal to Seattle City Light SCLEnergyAdvisor@seattle.gov, on or before the deadline noted in [Section 13 TIMELINE/SCHEDULE](#), except as revised by Addenda.
2. Title the e-mail very clearly with "EEaS Proposal" and your company name.
3. Any risks associated with transmittal are borne by the Proposer.
4. The City e-mail system will generally allow documents up to, but no larger than, 20 Megabytes.

12 PROJECT SELECTION CRITERIA

Seattle City Light will evaluate all phase 2 proposals received against Section 6 PROGRAM ELIGIBILITY and Section 8 PROGRAM REQUIREMENTS. If Seattle City Light receives more than 10 eligible projects by March 31, 2021, each project will be scored against the criteria below. The 10 projects with the highest ranking will be selected for this phase of implementation. If projects leave the Program after being selected, their spot will be offered to the next highest scoring project that meets eligibility criteria. Eligible projects that are not selected may be considered for future project solicitations, if they notify Seattle City Light of their continued interest in the pilot Program.

Project Criteria	Metric	Points
Building Performance	<ul style="list-style-type: none"> Depth of electrical energy savings: building performance above & beyond 25% savings minimum goal Likelihood of ECMs proposed meeting savings target Methodology used to determine saving estimates 	25
Project Team	<ul style="list-style-type: none"> Strength, experience, and ability of team to deliver project as proposed 	5
Project Timeline	<ul style="list-style-type: none"> Performance period can start within 2 years or earlier of selection 	5
Environmental Impact	<ul style="list-style-type: none"> Degree of carbon savings, e.g. through beneficial electrification (ranked relative to other projects in solicitation) 	5
Equity and Workforce Development	<ul style="list-style-type: none"> Ability/commitment to report desired metrics Women and minority owned business inclusion plan Implementation strategy to achieve Priority Hire workforce goals 	20
Tenant Benefits	<ul style="list-style-type: none"> Financial – extent to which the value of efficiency energy will be passed on to tenants Health & wellness – projects that exceed ventilation, lighting, and thermal comfort standards of ASHRAE and/or healthy building guidelines Tenant engagement – commitment to engaging commercial tenants in saving energy 	10
Innovation/Value-added	<ul style="list-style-type: none"> How is your project innovative? How will this Program help you achieve higher energy performance? 	5
Use-case diversity	<ul style="list-style-type: none"> Is this type of project under or over-represented in the mix of projects received? 	20
Submittal	<ul style="list-style-type: none"> Responsiveness of submittal (concise, complete and accurate) 	5
Total		100

13 TIMELINE/SCHEDULE

Milestone	Date
Request for Projects Issued	Jan 20, 2021
Update Program Manual, Power Purchase Agreement, Customer Participation Agreement, released	Jan 20, 2021
Questions/requests for information due to Seattle City Light	Feb 12, 2021
Seattle City Light publishes response to questions	Feb 26, 2021
Information Session	Mar 11, 2021
Proposals due to City Light	Apr 30, 2021
Blackout period - applicants cannot correspond with Seattle City Light about the RFP	Apr 30, 2021 – Jun 30, 2021
Notification of selection status to applicants	Jul 1, 2021
Target Participation Agreement and PPA Execution Date	Aug 2, 2021

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14 QUESTIONS AND CLARIFICATIONS

Any questions and/or clarifications must be submitted electronically to an Energy Advisor at Seattle City Light SCEnergyAdvisor@seattle.gov in written format with the e-mail header **EEaS RFP Question** by February 12th, 2021.