

Biomass and Biogas Feasibility Study Incentives

Application and Study Guidelines

July 2021

Contents

Introduction	3
Feasibility Study Incentives	
Customer Eligibility	
What You'll Need	
Participation Process	
Additional Financial Incentives	
Other Information and Requirements	5
Feasibility Study Incentive Application	
Application Submission Checklist	7
Appendix A: Report Guidelines	
Annendix B: Savings Analysis	c

Introduction

A feasibility study assesses the practicality of a proposed plan or project to help businesses make an informed decision on proceeding with implementation. FOCUS ON ENERGY ® offers feasibility study incentives to encourage end-users to undertake renewable energy projects for biomass and biogas. These incentives assist Wisconsin businesses, municipalities, farms, and other generators of waste or wastewater sources in overcoming financial barriers to study and engineer modifications to existing facilities or construction of new facilities.

Feasibility Study Incentives

Focus on Energy provides up to \$15,000 in financial incentives, not to exceed 50% of the cost of the study, for biogas and biomass feasibility studies. Feasibility studies performed in phases are subject to the \$15,000 per study cap (total for all phases). A phased study on the same system will not be eligible for incentive payment until all phases of the study are complete.

"Walk through" surveys not yielding engineering estimates of renewable energy production and a detailed outline of project costs (design, materials, etc.) are not eligible for feasibility study funding. Independently submitted contractor and/or consultant cost proposals are also not eligible.

Feasibility studies <u>exclusively</u> evaluating one of the end uses specified below **do not qualify** for a feasibility study incentive.

- Production of pipeline-quality renewable natural gas (RNG) for injection into an interstate or intrastate natural gas transport or distribution pipeline system with no use of the RNG within the service area of a Focus on Energy participating utility
- Production of compressed natural gas (CNG) for use as vehicle fuel
- Other uses not resulting in an offset of electricity and/or natural gas currently purchased (or would be purchased in the future) to meet energy needs of the Focus on Energy customer from a Focus on Energy participating utility

Customer Eligibility

- A facility must meet one of the following criteria to qualify for feasibility study incentives:
 - o Facility has opportunities to install a new biogas or biomass system
 - Facility is not producing or utilizing biogas or biomass to the full capability or design capacity of an existing system
- The site where the study will occur must be a customer of a participating electric or natural gas provider (visit focusonenergy.com/utilities for a list of participating utilities)
- The study has not already been initiated, including execution of a contract, or implemented

What You'll Need

- Feasibility Study application. All sections of the form must be completed.
- Executive Summary (limited to one page)
 - Description of what the feasibility study will assess, including data to be gathered and results to be quantified
 - Barriers preventing the facility from installing a new system or preventing the facility from maximizing the energy production capacity or generation of an existing system
 - Range of financial, performance, and any other key decision metrics used to decide whether to implement the project once the study is complete
 - Plan for implementation should the study meet or exceed all specified standards and satisfy key decision points
 - Experience and qualifications of the feasibility study provider
- Materials to support estimated energy and energy cost savings

Participation Process

- 1. Customer submits a Feasibility Study application and required supporting documentation. Focus on Energy Advisor support is recommended, but not required.
- 2. Focus on Energy reviews the application and follows up with the customer within 14 business days.
- 3. If the application is accepted, the customer is notified of approval and receives an Incentive Agreement for signature. This Agreement must be signed and returned within 30 calendar days of approval or the offer will be null and void.
- 4. Customer completes the study within 120 calendar days from the date of signing the Incentive Agreement.
- 5. Customer submits a copy of the study report to Focus on Energy within 30 calendar days of receipt. See Appendix A for Report Guidelines.
- 6. Focus on Energy evaluates the study report and responds within 10 business days indicating whether the study report has been accepted.
 - a. If the report is not accepted, a summary will be provided detailing deficiencies to be addressed. Customers have 10 business days to address identified deficiencies and resubmit the study report.
 - b. Focus on Energy reserves the right to visit the potential project site to verify reported information.
- 7. Focus on Energy provides a Project Completion Notice (PCN) to the customer for signature. The Customer signs and returns the PCN with a copy of the invoice for the study within 30 calendar days of receiving the PCN.
- 8. Focus on Energy reviews the PCN and invoices. Upon acceptance, Focus on Energy issues the incentive payment within six to eight weeks. The incentive is subject to change should the cost of the study decrease from the original proposal.
- 9. Customer meets with Focus on Energy staff to discuss the assessment findings and identify project potential, available Focus on Energy incentives, and timeline for installation.

a. If it is decided the project will not move forward, the customer will be required to provide a written explanation to Focus on Energy.

Additional Financial Incentives

Recommendations from an accepted feasibility study report may be eligible for a Focus on Energy incentive through the Renewable Energy Competitive Incentive Program (RECIP) or through a custom project incentive (biogas only). Contact Focus on Energy at business@focusonenergy.com for further information.

Other Information and Requirements

- Submission of a Feasibility Study Incentive application does not guarantee approval. Approval is required prior to initiating the study.
- Focus on Energy reserves the right to require a site visit prior to incentive payment to confirm facts and findings made in the study and to verify assumptions used in the engineering calculation process.
- Focus on Energy reserves the right to publicize a customer or Trade Ally's participation in the program, unless a request for confidentiality is provided in writing.
- Incentive offers may be changed, revised, or discontinued at any time by Focus on Energy.

Feasibility Study Incentive Application
Complete the information below, including signature by an authorized company (customer) representative.

	Applicant's Name		Ta	Tax Identification Number (9-digit FEIN)					
	Tax Classification	C Corpo	Sole Proprietorship Individual Single Member LLC C Corporation S Corporation Partnership Other LLC - Classification - (C - Corp, S - S Corp, P - Partnership)						
Customer	Legal Address								
	City			State		Zip			
	Contact Name								
	Phone				Ema	Email			
	Site Address								
Site Information	City			State		Zip			
	Electric Provider				Elect	Electric Acct. #s			
	Natural Gas Provider			Natural Gas Acct. #s					
	Business Type (manufacturing, office, etc.)			Annual Hours of Operation					
Incentive	Check Payable To Custor		ustom	er	Trac	Trade Ally		Other	
	Attn To:								
Payment	Mailing Address								
	City			State		Zip			
Study	Business Name				Contact Name				
	Phone		Email						
Provider	Address								
	City			State		Zip			

Anaerobic Digester Anaerobic Preti	reatment Biomass					
atial Annual Energy Cost Covings (\$)						
ntial Annual Energy Cost Savings (\$)						
ested Incentive (\$)						
the final report will be completed						
emented, what is the anticipated completion						
I, the undersigned, certify that the information provided in this application and on the attached pages is accurate and true to the best of my ability, and that I have read and understood the requirements of this offer. I understand that submission of this application does not guarantee funding or a specific level of funding. I acknowledge that participation in this program shall impose no liability on Focus on Energy. Focus on Energy may conduct a pre- and/or post-service site visit to verify savings. Signer also certifies that: • The number shown on this form is the correct taxpayer identification number. • The company which I represent is not subject to backup withholding because: (a) it is exempt from backup withholding, or (b) it has not been notified by the IRS that the company is subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified the company that it is no longer subject to backup withholding. • I am a U.S. citizen or a U.S. resident alien. Date						
	ched pages is accurate and true to the best of my erstood the requirements of this offer. I understan cation does not guarantee funding or a specific lecipation in this program shall impose no liability of conduct a pre- and/or post-service site visit to vere the order of the number shown on this form is the correct of the company which I represent is not subject to it is exempt from backup withholding, or (b) it is that the company is subject to backup withhold all interest or dividends, or (c) the IRS has not in subject to backup withholding. I am a U.S. citizen or a U.S. resident alien.					

Application Submission Checklist

Submit the items below with this application form. Applications received incomplete may be disqualif	ied.
------------------------------------------------------------------------------------------------------	------

Executive Summary (limited to one page)

Supporting materials for estimated energy and energy cost savings

Submit all required paperwork to business@focusonenergy.com

Appendix A: Report Guidelines

Feasibility study reports must comply with the guidelines below before the feasibility study incentive will be paid.

A. Cover Page

- a. Title: "Focus on Energy Biogas (or Biomass) Feasibility Study"
- b. Customer name
- c. Facility name and address
- d. Type of business (processing plant, wastewater treatment facility, etc.)
- e. System being studied (ex: anaerobic pretreatment system, biomass, etc.).
- f. Name of consulting firm/engineer and contact information
- g. Report date

B. Executive Summary

- a. A description of the project and its major components
- b. Projected reduction in kW, kWh, and/or therms production and annual total cost savings
- c. Simple payback period based on the estimated installation cost and annual energy cost savings

C. Study Results and Recommendations

- a. Detailed project scope
 - i. Preliminary design specifications and operating parameters for major equipment components of the system (including schematics, process diagrams, control strategies, etc.)
 - ii. For biogas, detailed description of how the biogas will be measured and treated prior to beneficial utilization
 - iii. Cost estimate to purchase and install suggested measures, including design services and system commissioning
- b. Energy usage and savings analysis
 - i. New system(s)
 - 1. Current baseline energy usage offset by the potential biogas- or biomass-derived energy, including at least the last 12 months of normal and peak energy use data.
 - 2. Calculations for estimated annual energy production and utilization (kWh, kW, and therms). See Appendix B for a list of considerations for this analysis.
 - ii. Existing system(s)
 - 1. Current (baseline) biogas/biomass volumes and associated energy output supported by acceptable measurement data.
 - 2. Calculations for estimated increase in annual energy production and utilization (kWh, kW, and therms). See Appendix B for a list of considerations for this analysis.
 - iii. Simple payback calculation for each of the proposed measures
 - iv. Description of methodology to verify and quantify the magnitude of renewable energy production post-installation

Appendix B: Savings Analysis

- A generic description may be used for a series of similar spreadsheets if sufficient explanatory notes are included on each spreadsheet
- Each analysis must have adequate information for the review engineer to confidently concur with the energy production values
- Spreadsheets must include a description of the calculations and show the formulas used
- Calculation assumptions and input variables (with associated units) must be clearly stated and justified
- All associated parasitic energy uses must be presented and accounted for
- Demand savings (kW) and energy consumption (kWh) must be calculated separately (if applicable)
- Calculations claiming demand savings must demonstrate the extent the proposed equipment contributes to the peak demand
- The cost(s) in the calculation must match the customer's utility bill. Energy costs for electric savings should use a blended rate (total kWh used divided by total electric charges) to account for kW related savings (if applicable).
- Buy-back rates from the utility must be clearly stated (if applicable)
- Energy savings should be normalized for weather. Weather data used should be "bin-type" values compiled over multiple years and the data source used must be accessible for engineers during the review process
- Analyses based solely on manufacturer's claims may not be accepted until independently verified