

Custom Program



The Custom Program is for all energy efficiency measures not listed in the other C&I Incentive Catalogs.

Instructions: This catalog contains eligibility criteria pertaining to custom rebates. Criteria depends on equipment type, replacement type, facility type, project cost, and savings potential. The information below can be used to determine eligibility and understand how custom rebate applications are evaluated. To estimate rebate potential, please download our **Custom Rebate Calculator** from our website.

Applications are submitted through our [online portal](#).

For questions, contact the Commercial and Industrial Rebate Program Team at **1.888.316.8023**, email cienergysavings@franklinenergy.com, or visit nyseg.com/cirp or reg.com/cirp.

2023 Custom Rebate Rates

Electric Savings	\$0.20/kWh saved
Natural Gas Savings	\$1.50/therm saved

General Requirements

- **Rebate amounts are performance-based and are calculated as follows:**
 - Maximum Rebate Amount = Custom Rebate Rate (\$/kWh or \$/therm) x Energy Savings (kWh or therms).
 - Total rebate cannot exceed 90% of incremental cost for End of Life Replacement and New Construction projects and cannot exceed 50% of total project cost for Early Replacement or Additional Equipment projects. Please see Replacement Types below for further project type descriptions.
 - Project simple payback must be greater than or equal to 6-months for industrial or manufacturing customers and 1-year for all other commercial customers. If the total project payback without a rebate falls below the minimum payback period, the project may be ineligible for any rebate.
 - Rebates may be reduced to meet the program's minimum payback period
- In addition to the required documentation listed in the Rebate Application, Custom rebate applications require supporting documentation, which must be submitted for pre-approval including:
 - Equipment specifications for proposed equipment and baseline equipment (when applicable). Appropriate baseline equipment depends on the replacement type as described in the Definitions section below.
 - Energy savings calculations that quantify proposed annual savings (kWh) or (therms) and any peak demand savings (kW). Peak demand savings can be quantified if savings occur from 4:00 to 5:00 p.m. on weekdays during summer months. In cases where energy modeling is used to determine savings, computer software maker and version number must be identified. Summaries for the input and output data, and energy savings from the energy model, must be provided.
 - Total proposed project costs (material and labor) must be provided, as well as quoted/estimated incremental costs for End of Life Replacement or New Construction projects, as defined below.
- All Custom rebate applications must pass project-level benefit-to-cost ratio (BCR) testing at pre-approval and final approval. See definitions below for more information.
- All Custom applications require pre-approval before construction can begin. Pre-approval is explained further below and in the Rebate Application.

Definitions

Pre-Approval is an engineering desk review performed by program staff which may include a site inspection to confirm savings before a reservation letter is issued. Pre-approval begins when a signed application and all required documents are received. If pre-approval is not possible, please contact Franklin Energy and the rebate program administration team to discuss further.

Pre-Inspections and Post-Inspections are pre- and post-construction site visits where the rebate program seeks to verify equipment or site conditions. Inspections are conducted at random for 10% of all projects and are required for any application requesting a rebate of \$25,000 or more. Program staff reserve the right to perform an inspection for any project.

Benefit-to-Cost Ratio (BCR) is an economic analysis that compares lifetime energy savings to total or incremental project costs. This analysis is performed internally when applying for Custom rebates to determine eligibility. Projects are evaluated at both the measure-level and project-level for BCR. If the project-level BCR is greater than or equal to 1.0, all measures are eligible for their full rebate. If the project-level BCR is less than 1.0, measures will be individually screened for eligibility. Changes in project costs and savings between pre-approval and final approval may result in a failing BCR.

Definitions

Baseline pertains to the system or equipment which the proposed energy efficient equipment is compared to, affecting the savings calculations and project costs. Selecting the appropriate baseline depends on the replacement type.

- For Early Replacement and Additional Equipment projects, the baseline system is the existing equipment and/or current operating conditions.
- For End of Life Replacement and New Construction projects, the baseline is new, minimally compliant equipment that could be installed instead of the proposed efficient option. Performance standards for baseline equipment in this category reference NYS ECCC and the NY TRM. Such baselines also consider industry standards where applicable or when code does not dictate performance standards.

Effective Useful Life (EUL) is the anticipated life of a piece of equipment or system measured in NY TRM will automatically populate when applying. For equipment not listed in the NY TRM, respected external sources may be referenced, including ASHRAE Service Life Expectancy Charts. If using external sources, please provide references.

The New York Technical Resource Manual (TRM) provides state-specific standardized energy savings calculations and assumptions for typical efficiency measures. TRM guidelines must be followed when applicable. The most recent version of the TRM can be downloaded [here](#).

New York State Energy Conservation Construction Code (NYS ECCC) establishes minimally compliant baseline performance criteria for End of Life Replacements and New Construction projects. The latest version currently adopted by New York is to be referenced and can be found [here](#).

Replacement Types

End of Life Replacement refers to replacement of equipment which has reached or passed the end of its prescribed EUL. It is also described as “replacement upon failure.” End of Life Replacement applications use “incremental” savings and incremental cost values for rebate evaluation:

- Incremental savings is the difference in annual energy use of the currently-on-the-market industry standard or minimally compliant equipment and proposed high-efficiency equipment.
- Incremental cost is the difference between the cost of the proposed high-efficiency equipment and the cost of currently on-the-market, industry standard, minimally compliant equipment. Any incremental labor costs must also be included.
- If existing equipment is beyond its EUL, End of Life Replacement is the default replacement type unless Special Circumstance Replacement criteria is met.

Early Replacement refers to the replacement of equipment before it reaches its prescribed EUL. The early replacement applications use proposed “actual” savings and total project cost values:

- Actual savings is the difference in the annual energy consumption of the existing equipment under existing operating conditions and the proposed energy consumption of the high-efficiency equipment.
- Total project costs are the total material and labor costs associated with the installation of the new proposed high-efficiency equipment. Early replacement assumes that the existing equipment would remain in place at no additional cost.

Additional Equipment refers to the addition of an energy-efficient measure that will increase the efficiency of an existing system. It is assumed the existing system can function without the proposed equipment. Examples include adding controls to a boiler that had none or the addition of a variable speed drive to an existing motor where no drive already exists. Add-on measures are evaluated using the total project costs and actual energy savings values that will result from the additional equipment.

Special Circumstance refers to the replacement of equipment that is beyond its EUL, but the existing conditions are a better representation of the baseline energy use, as opposed to new standard-efficiency equipment. This may be used for one or more of the following cases and requires additional supporting documentation:

- Equipment age exceeds its EUL by 25%. If age cannot be determined, then the equipment’s energy consumption must exceed that of current high efficiency models by 20% (35% for chillers).
- There is a history of significant repair or replacement with used equipment.
- The prospective next repair or replacement is likely to be much less expensive than replacement with new higher efficient equipment.

New Construction/Major Renovation includes newly constructed facilities, additions or renovations to existing facilities where a building permit is required and where change in occupancy or use occurs.

NEED HELP? For assistance determining replacement type, baseline, EUL, savings calculations or other requirements, contact cienergysavings@franklinenergy.com or **1.888.316.8023**.