



MAKES BUSINESS SENSE

# PARTICIPANT'S GUIDE

EMPOWER PROGRAM FOR  
Industrial Systems

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# Notice

**For the sake of brevity, the Empower Program for Industrial Systems may also be referred to in this Guide simply as “the Program.”**

**Under the terms of its agreements with business customers, Hydro-Québec reserves the right to**

- amend or terminate the Program or limit the number of projects at any time without notice;
- interpret Program terms and conditions;
- determine the eligibility of any energy efficiency project proposed;
- reject any project proposal that does not meet Program criteria, or request changes or further information;
- request supporting documents (invoices, etc.) for electricity-saving measures implemented and, after reviewing the documents, limit financial assistance to 40% of eligible costs recognized under the Program.

**Furthermore, Hydro-Québec cannot be held liable for**

- any damage or harm arising from the Program;
- any error, omission or failure to achieve electricity savings as a result of proposed electricity-saving measures or the use of tools required under the Program.

**Hydro-Québec’s sole obligation is to pay out the approved financial assistance after the energy efficiency project is completed, provided that the application submitted is complete and meets all Program criteria.**

**You, the eligible customer,**

- are solely responsible for project implementation and results;
- are responsible for the quality of the project;
- acknowledge that any false statement, whether intentional or unintentional, may result in the cancellation or adjustment of any financial assistance granted under the Program or repayment of amounts received;
- acknowledge that any false statement, whether intentional or unintentional, may also result in your disqualification from the Program;
- agree that Hydro-Québec may verify the implementation of electricity-saving measures eligible for financial assistance;
- agree that Hydro-Québec may see and obtain copies of original supporting documents as well as accounting records related to an application for financial assistance;
- agree to the disclosure of all project-related information;

- may not submit the same electricity-saving measure to another Hydro-Québec program to obtain financial assistance for its implementation;<sup>1</sup>
- shall respect all laws and regulations applicable in Quebec, and especially those regarding environmental protection:
  - shall take all necessary measures to prevent, control or eliminate any contamination or damage to the environment and any change in the quality of the soil, woodlands, farmlands, birds, land and aquatic wildlife, streams, lakes, wetlands or air;
  - shall obtain all permits, certificates, licences and authorizations required and pay any fees required by law to implement the electricity-saving measures for which financial assistance has been paid;
- shall be responsible for the management, handling, storage, transportation and disposal of hazardous materials generated, whether waste or not. in compliance with legislation in effect:
  - shall ship hazardous waste to a site or company authorized to receive such waste.

## **Tax implications**

This section sums up the main tax implications of the Program. It is included for information purposes only. Please consult a tax advisor or tax authorities, if necessary.

Payments by Hydro-Québec under the Program are normally subject to the goods and services tax (GST) and Québec sales tax (QST). As a result, you must issue an invoice indicating the amount of each of these taxes in order to receive your financial assistance from Hydro-Québec (see Section 7, Step 5).

For income tax purposes, the financial assistance paid under the Program is an inducement intended to lower the cost or capital cost of an asset, reduce the amount of an outlay or an expense, or constitute income to you. It is up to you to determine the tax status of the financial assistance you receive. Unless your organization is tax-exempt, Hydro-Québec will issue you an information slip, called a *Relevé 27 – Paiements du gouvernement* [government payments], stating the amount of financial assistance paid, pursuant to the Québec *Taxation Act*.

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<sup>1</sup> Hydro-Québec also reserves the right to reduce the amount of financial assistance granted to a project under the Program if other organizations introduce new programs similar to the Empower Program for Industrial Systems.

## Industry providers

Although the Program is primarily intended for **small and medium-sized businesses**, other industry providers—**consulting engineers, equipment manufacturers and distributors, contractors and industry associations**—also have a role.

By combining Program resources with their own offerings in their specific fields of expertise, these providers can help you to

- target new electricity management measures in your company, considering the incentives offered;
- develop energy efficiency projects and estimate potential savings;
- identify more energy-efficient equipment or scenarios that meet the technical requirements of your industrial operations;
- perform work required to implement a project.

This guide explains the objectives, services offered, eligibility criteria, procedures and requirements of the Empower Program for Industrial Systems.

**For additional information on our energy efficiency programs or other services**, please contact the Hydro-Québec representative for your region or visit our Web site at [www.hydroquebec.com/business](http://www.hydroquebec.com/business).

For the Empower Program for Industrial Systems, Hydro-Québec is working with Québec's Agence de l'efficacité énergétique [energy efficiency agency] and Natural Resources Canada's Office of Energy Efficiency.

### Web sites

Agence de l'efficacité énergétique (AEE): [www.aee.gouv.qc.ca](http://www.aee.gouv.qc.ca)

Office of Energy Efficiency: [www.oee.rncan.gc.ca](http://www.oee.rncan.gc.ca)

## Glossary

<b>Benchmark and benchmark scenario</b>	Assumption predefined so as to optimize equipment so that its efficiency is equivalent to that of basic or standard equipment (most common on the market) and based on which electricity savings are calculated under the Program.
<b>Electricity-saving measure (electricity management measure)</b>	An improvement to a building, piece of equipment or system for the purpose of reducing its electricity consumption.
<b>Major renovation</b>	Renovation project meeting these requirements: All lighting, control and HVAC (heating, ventilation and air-conditioning) systems, as well as all inside architectural walls are dismantled All windows and insulation of outer walls are removed
<b>Measures with automated calculations</b>	Measures for which eligible energy savings are automatically calculated using the files for the Empower Program for Industrial Systems (eclairage.xls, compression.xls, refrigeration.exe).
<b>Measures without automated calculations</b>	Measures for which eligible energy savings are not automatically calculated using files supplied by Hydro-Québec.
<b>New building</b>	An entirely new building or an addition larger than 10 m <sup>2</sup> to an existing building plus major renovation of an existing building.

# Program Overview

## Program description

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- The Program offers business customers financial assistance to implement measures that can reduce the electricity consumption of eligible buildings **by at least 25,000 eligible kWh/year**.

## Eligible customers and buildings

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- For the purposes of this Program, a “customer” is an individual or company that meets the eligibility conditions set out in Section 2.
- This Program is for individuals or companies that own, operate or occupy industrial buildings and
  - are carrying out an energy efficiency project in one of those new or existing buildings and
  - use industrial equipment, systems or processes.
- Facilities or buildings must be located in Québec.

## Eligibility period

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- The electricity-saving measures must be **implemented by December 31, 2015**.

## Tools used to apply for financial assistance

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- With few exceptions (see Section 7, Step 2, point 2.1.1), electricity savings must be calculated using specific files that can be downloaded from [www.hydroquebec.com/industrial](http://www.hydroquebec.com/industrial).

## Technical guides

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- Each file is accompanied by a technical guide for customers, which can be downloaded from [www.hydroquebec.com/industrial](http://www.hydroquebec.com/industrial) (see Section 7, Step 2, point 2.1.1).

## Calculating financial assistance

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- The method for calculating financial assistance is described below. (For more details, see Section 4.)

<b>MEASURES WITH AUTOMATED CALCULATIONS</b> (eclairage.xls, compression.xls or refrigeration.exe)	<b>MEASURES WITHOUT AUTOMATED CALCULATIONS</b> (appui.xls)
Eligible kilowatthours saved/year (i.e., savings above benchmark) X a maximum of 15¢/kWh	Financial assistance will be the <u>lower of the following amounts</u> : <ul style="list-style-type: none"><li>▪ Eligible kilowatthours saved/year (i.e., savings above benchmark) X 15¢/kWh</li><li>▪ 40% of total eligible costs of implementing electricity-saving measures (see Section 6)</li></ul>

## ***Section 1 – Program Description and Objectives***

The Empower Program for Industrial Systems is designed to

- provide financial assistance to customers looking for ways to reduce their electricity consumption by reducing the payback period of the eligible energy efficiency projects implemented and
- leave it up to you to initiate the process of determining the desired electricity management measures, in accordance with the opportunities and constraints inherent in your operations.

Program goals are to

- help customers make decisions that will improve the electricity consumption in their industrial operations when they upgrade their facilities or design new facilities and
- encourage industry providers to promote measures of demonstrated efficiency and cost-effectiveness.

## Section 2 – Eligibility Requirements

To qualify for financial assistance under the Empower Program for Industrial Systems, you must meet the eligibility criteria set out in this guide.

For further information, contact your Hydro-Québec representative or Services à la clientèle d'affaires [business customer services office] in your region (see Appendix 7).

### 2.1. Eligible customers

For the purposes of the Empower Program for Industrial Systems, a “customer” is an individual or company that meets the conditions described below.

This program is for individuals or companies that

- own, operate or occupy industrial buildings and are carrying out an energy efficiency project in one of those new or existing buildings that is connected to
    - the Hydro-Québec grid or
    - an off-grid system (for more information, see Appendix 4) or
    - a grid belonging to a power redistributor (municipality or other) (see Appendix 6)
- and use industrial equipment, systems or processes.

If you wish, you may assign your obligations and rights regarding implementation of an energy efficiency project under the Program. In this case, you must sign a power of attorney assigning your rights and obligations to a designated energy management company or partner.

### 2.2. Eligible buildings and facilities

- The program applies to systems and processes installed in existing buildings or planned for new buildings, as part of projects that involve
  - upgrading systems that are no longer satisfactorily configured or suited to your needs;
  - retrofitting existing facilities;
  - introducing new production facilities.
- The industrial facility, equipment, system or process targeted by the energy efficiency project must be **located in Quebec**.
- Buildings where electricity is billed at **Rate L are excluded** from the Program.
- With a few exceptions, the economic activity of the building where the project is to be implemented must have a **goods-producing industry** NAICS code (see Appendix 2).

### 2.3. About the NAICS code

The types of industries eligible for Hydro-Québec's Empower Programs for Building Optimization and Industrial Systems are listed in the North American Industry Classification System (NAICS) under Services-Producing Industries and Goods-Producing Industries respectively.

The industries in these categories and the applicable rules are presented in Appendix 2.

To obtain the official NAICS code of the building where your project will be carried out, go to the **Statistics Canada** Web site at [www.statcan.ca](http://www.statcan.ca).

Hydro-Québec reserves the right to ask you to produce the official document you received from the Business Register Division confirming your NAICS code.

### 2.4. Eligibility conditions for projects

To qualify for financial assistance, a project<sup>2</sup> must meet the following conditions:

- A duly completed **Document d'avant-projet** [project outline form] must be submitted to Hydro-Québec **before the project start date** (see Section 7, Step 1).
  - **Measurable** electricity savings must be generated.
  - The project must include one or more separate measures that meet eligibility criteria, will be implemented **in a single building or facility** (except as described on the next page) and have not been the subject of a prior request for financial assistance from Hydro-Québec.
  - The building's electricity consumption must be reduced by **at least 25,000 eligible kWh/year**.
  - The project must be implemented by **December 31, 2015**.
- 
- The measures may be accumulated over the entire Program period as long as they are presented in the same project, that is, in the same *Document d'avant-projet* [project outline form], before the start date (see Section 7, Step 1).
  - You can apply only once during the Program for a given system unless the technological aspects of the measure proposed have changed since your initial application. In such a case, the new project must not include electricity savings and eligible costs already included in the calculations for the first application for financial assistance.

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<sup>2</sup> For example, lighting or compressed-air systems, or industrial extraction, manufacturing, processing or conversion, or storage of material or products.

## Exceptions – Project being carried out in more than one facility

### **Municipalities**

- Drinking water treatment plants, wastewater treatment plants and pumping stations operated by the same municipality are considered to be a single facility.
- A project may therefore be carried out at several locations.

### **Motors**

- If you use a large number of less than 200-hp motors in separate facilities, you may combine the purchase of new and replacement motors into a single project.
- The Program covers motors whose efficiency is superior to EPart energy-efficient motors. For the purpose of calculating financial assistance, the annual savings achieved by such premium efficiency motors are considered in relation to the consumption of EPart energy-efficient motors. The difference is estimated on the basis of the motors' technical specifications and certified by an independent body.

In the *Document d'avant-projet* [project outline form], you must write the addresses if all the facilities concerned in Section 2 (page 4), under *Description du projet* [project description], since there is only one field under *Coordonnées de lieu de réalisation du projet* [project site address] on page 3.

## Section 3 – Eligible and Ineligible Measures

The program is designed to give you as much flexibility as possible. You decide on the electricity-saving measures you want to implement, as long as they meet the criteria listed below. Hydro-Québec reserves the right to approve, refuse or adjust the calculated energy savings from a measure.

### 3.1. General eligibility criteria for electricity-saving measures

THE MEASURE IS ELIGIBLE IF	THE MEASURE IS INELIGIBLE IF
<p>It meets <b>all</b> of the following criteria:</p> <ul style="list-style-type: none"> <li>▪ It reduces the electricity consumption of a building, processes, systems or equipment.</li> <li>▪ It requires an investment in capital and equipment.</li> <li>▪ It yields results that are measurable or assessable by recognized methods and demonstrate that the measure is very energy-efficient compared to standard or benchmark efficiency.</li> <li>▪ Energy efficiency performance surpasses a benchmark (code, standard or industry practice).</li> <li>▪ It involves equipment, materials or other components               <ul style="list-style-type: none"> <li>– that are new and have been certified or approved by recognized independent industry authorities</li> </ul> </li> </ul> <p><b>or</b></p> <ul style="list-style-type: none"> <li>– that have been demonstrated to be energy efficient by tests or measures recognized by Hydro-Québec and carried out at the expense of the supplier of the measure, equipment, material or component.</li> </ul> <ul style="list-style-type: none"> <li>▪ It has a minimum service life of five years and will be operational for at least five years from the date the equipment or services are commissioned.</li> <li>▪ It results in energy savings exceeding those calculated for the benchmark scenario as defined in Section 5 – Calculating Electricity Savings.</li> </ul>	<p>It does <b>not</b> meet all the criteria listed in the left-hand column <b>and</b></p> <ul style="list-style-type: none"> <li>▪ It saves electricity through maintenance and operational changes without replacing older equipment or adding more energy-efficient equipment.</li> <li>▪ It involves used equipment, materials or other components.</li> <li>▪ It could have a negative impact on health, safety or the environment.</li> <li>▪ It is an adjustment to meet existing standards or to correct a poor design.</li> </ul>

### 3.2. Special cases

	THE <b>MEASURE IS ELIGIBLE</b> IF IT MEETS <b>ALL</b> THE CRITERIA IN THE TABLE ABOVE <b>AND</b> IF THE FOLLOWING APPLY:	THE <b>MEASURE IS INELIGIBLE</b> IF THE FOLLOWING APPLY:
<b>Energy conversion (or substitution)</b>		<ul style="list-style-type: none"> <li>▪ Electricity savings result from conversion from one source of energy to another, as in the following cases:               <ul style="list-style-type: none"> <li>– Equipment that runs on fossil fuel is replaced by electrical equipment.</li> <li>– Electrical equipment is replaced by equipment that runs on fossil fuel.</li> </ul> </li> </ul>
<b>Energy recovery</b>	<ul style="list-style-type: none"> <li>▪ Recovered energy generates electricity savings, no matter what the source of energy and the type of equipment used to recover the energy.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Energy recovered from a given piece of equipment (even electric) that generates savings of natural gas or another fuel only.</li> </ul>
<b>Self-generation of electricity</b>		<ul style="list-style-type: none"> <li>▪ Electricity savings result from the use of self-generation systems (such as cogeneration systems, emergency generators, wind power generators or photovoltaic cells).</li> </ul>
<b>Solar energy</b>	<ul style="list-style-type: none"> <li>▪ Electricity savings are generated through the use of solar energy, as in the following cases:               <ul style="list-style-type: none"> <li>– Solar walls are used to preheat building's fresh air.</li> <li>– Solar panels are used to preheat hot water.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Solar energy is used only to save on natural gas or another fuel.</li> </ul>

### 3.3. Confirmation of eligibility of a measure and calculation method

- If you want to obtain confirmation that a measure not included in the files supplied by Hydro-Québec is eligible, you must complete the ***Demande de confirmation d'admissibilité d'une mesure et d'une méthode de calcul*** [request for confirmation of eligibility of a measure and calculation method] available on [www.hydroquebec.com/industrial](http://www.hydroquebec.com/industrial) and return it to Hydro-Québec.
- Hydro-Québec will send written confirmation of eligibility or ineligibility.
- Hydro-Québec reserves the right to reject a measure or calculation method.
- You must pay the cost of any expertise, measurements or technical testing that Hydro-Québec may require to confirm that a measure or calculation method is eligible, but such costs are eligible if the project does not have automated calculations and it is accepted.
- This form does not take the place of the *Document d'avant-projet* [project outline form], which is required for all projects.

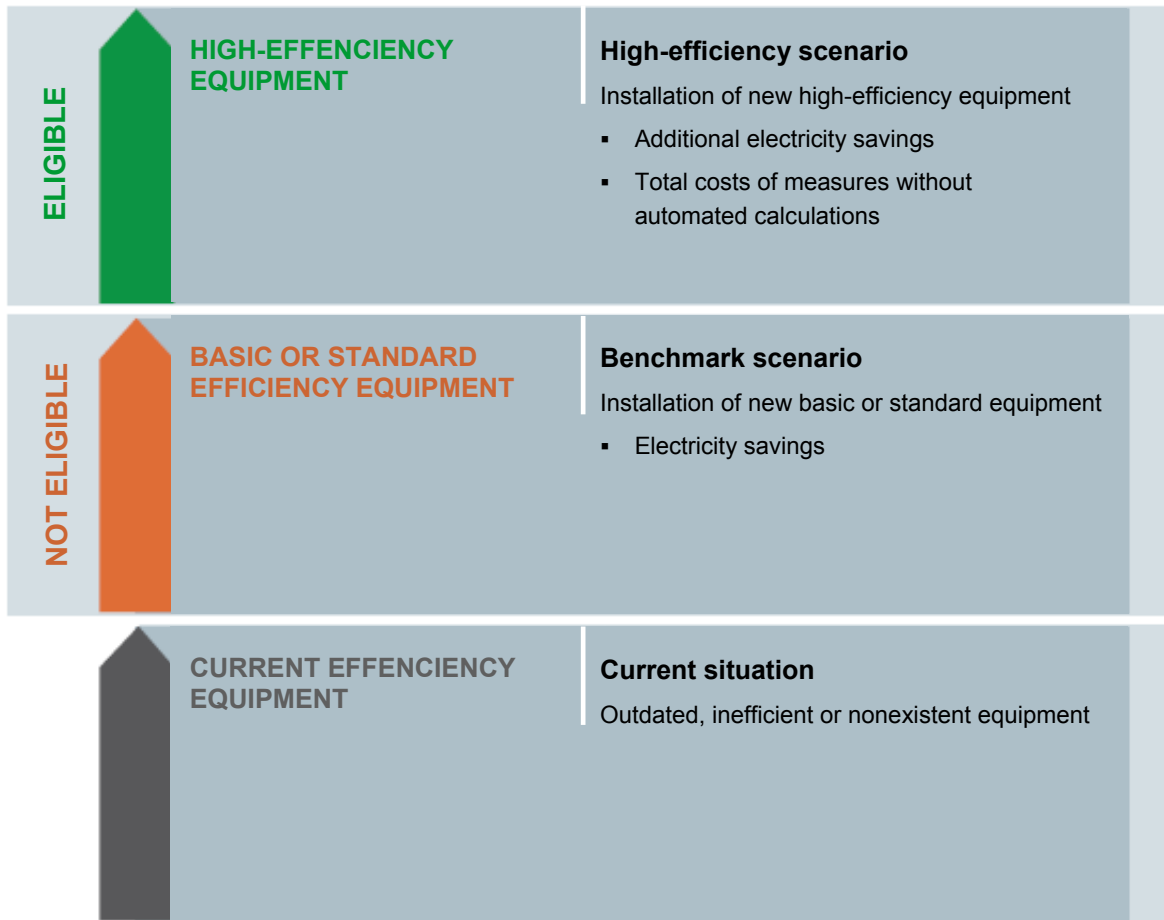
## Section 4 – Calculating Financial Assistance

### 4.1. Principles

Our financial assistance is designed to support you when you take the **extra step** of opting for industrial equipment, systems and processes that provide **superior electrical energy efficiency**—in other words, when you

**install or replace basic or standard electrical equipment with new high-efficiency equipment.**

The goal is to achieve a level of **energy efficiency surpassing that of basic standard equipment.**



## 4.2. Determining financial assistance

The rules for calculating financial assistance depend on whether the measures are submitted **with or without automated calculations**. Compression.xls, eclairage.xls and refrigeration.exe files list a number of measures for which calculations are automated, in other words, for which Hydro-Québec has already determined the electricity savings. The data are already included in the Hydro-Québec files.

**Financial assistance for all eligible measures is calculated as shown in the following table.**


<b>MEASURES SUBMITTED WITH AUTOMATED CALCULATIONS</b> (eclairage.xls, compression.xls or refrigeration.exe)	<b>MEASURES SUBMITTED WITHOUT AUTOMATED CALCULATIONS</b> (appui.xls)
<ul style="list-style-type: none"><li>▪ Eligible kilowatthours saved/year (i.e., savings above benchmark efficiency of basic or standard equipment) X a maximum of 15¢/kWh</li></ul>	Financial assistance will be the <b>lower of the following amounts</b> : <ul style="list-style-type: none"><li>▪ Eligible kilowatthours saved/year (i.e., savings above benchmark efficiency of basic or standard equipment) X 15¢/kWh</li><li>▪ 40% of total eligible costs of implementing the electricity-saving measures (see Section 6)</li></ul>

**For details, see Section 5 – Calculating Electricity Savings.**

## Section 5 – Calculating Electricity Savings

### Calculating electricity savings

In calculating your financial assistance, Hydro-Québec takes into account only those electricity savings that result from comparing

<b>A</b>	and	<b>B</b>
consumption under a benchmark scenario implementing <b>new basic or standard equipment</b>		consumption under a high-efficiency scenario implementing <b>new high-efficiency equipment.</b>

In other words, you need the following two electricity consumption values in order to determine your electricity savings eligible for financial assistance:

<b>Electricity savings used to calculate financial assistance = Benchmark scenario consumption – High-efficiency scenario consumption</b>	
<b>Benchmark scenario consumption</b>	<b>High-efficiency scenario consumption</b>
<ul style="list-style-type: none"> <li>▪ Consumption under the benchmark scenario must be adjusted to factor in any difference in production levels under the high-efficiency scenario, as well as any seasonal factors or operations affecting consumption.</li> <li>▪ Benchmark production volume must be adjusted to the level achieved under the high-efficiency scenario.</li> <li>▪ The benchmark scenario, which consists in implementing new basic or standard equipment, may be based on any of the following:             <ul style="list-style-type: none"> <li>– A standard, where such a standard exists</li> <li>– Current engineering and procurement practices</li> <li>– An evaluation or estimate produced by an industry provider</li> <li>– A bid obtained through a call for tenders and in accordance with current industry practices and technology</li> </ul> </li> <li>▪ For certain measures, benchmark scenarios may be specified by Hydro-Québec, in which case their use becomes mandatory.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The high-efficiency scenario corresponds to implementing new <b>high-efficiency equipment</b></li> </ul>

## Methods of determining eligible savings

<b>SIMPLIFIED METHOD FOR MEASURES WITH AUTOMATED CALCULATIONS</b>	<b>SIMPLIFIED METHOD (UP TO 10 HP)</b>	<b>DETAILED METHOD</b>
<p>Hydro-Québec has determined the electricity savings (kilowatthours) for measures included in files eclairage.xls, compression.xls and refrigeration.exe, so calculations for those measures are automated.</p>	<p>For low-power devices (not exceeding 10 hp) and a limited number of measures targeting them, it is recommended that you use a simplified calculation file based on average results observed in the field and requiring only basic data. The advantage of this method is that it will speed up the process.</p>	<p>For other devices and electricity-saving measures, use a detailed method, approved by Hydro-Québec, based on electricity savings specific to your operations and equipment and providing a more precise estimate of the resulting electricity savings.</p>

All the tools you need to apply for financial assistance that are supplied by Hydro-Québec can be downloaded from [www.hydroquebec.com/industrial](http://www.hydroquebec.com/industrial).

## Section 6 – Eligible and Ineligible Measures

### 6.1. Description of eligible and ineligible costs

This section applies only to measures without automated calculations in the files supplied by Hydro-Québec.

- Eligible costs are **total** costs, before taxes, of implementing electricity-saving measures.
- The tables below list eligible and ineligible costs for all measures, **subject to Hydro-Québec approval**.

<b>ELIGIBLE COSTS</b>	
<b>Equipment purchase costs</b>	<ul style="list-style-type: none"> <li>▪ Costs of purchasing new equipment and accessories required to implement the measure</li> </ul>
<b>Equipment installation costs</b>	<ul style="list-style-type: none"> <li>▪ Costs of labor (in-house or outside)</li> <li>▪ Other costs required for implementation of eligible measures</li> </ul>
<b>Professional fees</b>	<ul style="list-style-type: none"> <li>▪ Fees for the preparation of plans and specifications associated with the electricity-saving measures</li> <li>▪ Costs incurred to manage, oversee and commission project</li> <li>▪ Engineering costs that are additional design costs</li> <li>▪ Engineering costs applicable to selecting measures and assessing their potential and feasibility</li> </ul>
<b>Relative costs of hazardous-materials management</b>	<ul style="list-style-type: none"> <li>▪ Costs of managing, storing, transporting and disposing of hazardous materials, as long as supporting documents can be provided</li> </ul>
<b>Other costs</b>	<ul style="list-style-type: none"> <li>▪ Transportation costs</li> <li>▪ Customs fees</li> <li>▪ Costs of permits required to perform work</li> <li>▪ Insurance coverage for the construction site during implementation of the measures</li> <li>▪ Costs of any measurements required to determine consumption before and after implementation of the electricity management measures</li> <li>▪ Eligible taxes: any sales tax (GST and QST) not refundable by either level of government<sup>3</sup></li> <li>▪ Other costs specific to implementation of the measure, subject to Hydro-Québec's approval</li> </ul>

<sup>3</sup> Some organizations are entitled to partial refunds of GST and QST. The nonrefundable portion of these taxes is considered an eligible cost under the Program.

## INELIGIBLE COSTS<sup>4</sup>

- Any part of the sales taxes refunded by either level of government<sup>5</sup>
- Costs related to guarantees of energy savings and other performance guarantees
- Cost of work not done to improve electrical energy efficiency
- Costs incurred once the work has been completed, including running in and fine-tuning installations, as well as monitoring energy consumption
- Financing, management and other administrative costs

### 6.2. Justification of eligible costs

If the cost of a given measure is greater than mean market values recognized by Hydro-Québec, or if there is no mean market value for a given type of equipment or work, we reserve the right to reduce the amount of eligible costs unless you provide us with reasons we deem appropriate, upon request.

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<sup>4</sup>. Hydro-Québec will not reimburse any cost incurred for preparing the *Document d'avant-projet* [project outline form].

<sup>5</sup>. As the GST and QST paid is fully refunded to businesses, those taxes are not eligible expenses for them. Similarly, not-for-profit organizations must exclude from their eligible costs the part of the taxes refunded by either level of government.

## **Section 7 – Procedure for Obtaining Financial Assistance**

This section tells you everything you need to know to develop and submit a project proposal under the Program. It will make it easier for you to follow the proper procedure.

There are six major steps in applying for and receiving financial assistance under the Empower Program for Industrial Systems. These steps are first shown in the form of a flowchart and then explained in detail.

**Step 1 – Submit *Document d'avant-projet* [project outline form]**

**Step 2 – Request confirmation of financial assistance before carrying out the project (optional)**

**Step 3 – Request payment of financial assistance after carrying out project**

**Step 4 – Hydro-Québec verifies compliance and approves project**

**Step 5 – Invoice Hydro-Québec for financial assistance**

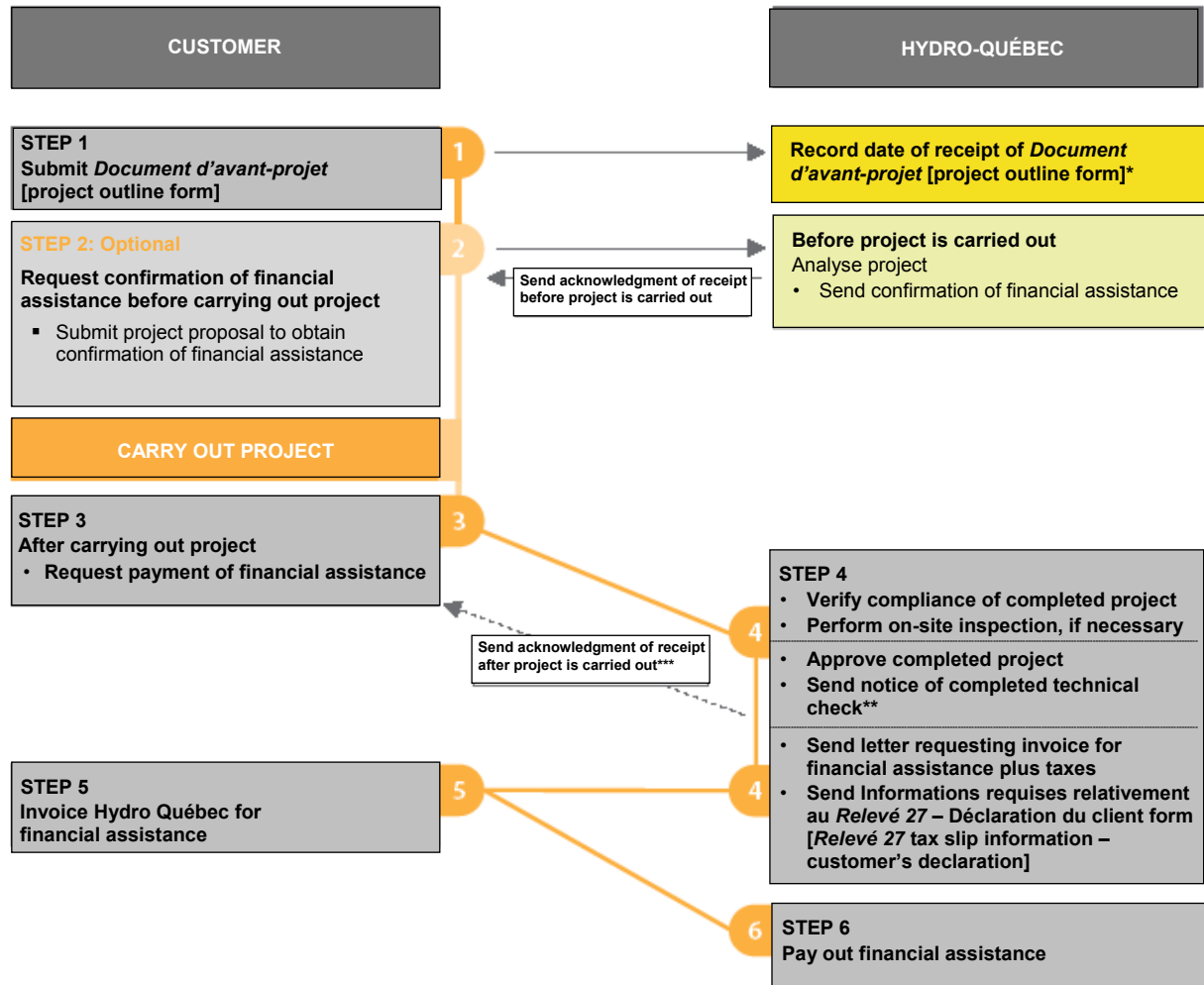
**Step 6 – Hydro-Québec pays out financial assistance**

The time required to process an application, and consequently to pay financial assistance, depends on the complexity, completeness and quality of the proposal submitted and on how quickly you provide all the required documents and files.

A Hydro-Québec representative may contact you at any time throughout the application process to request further details about your proposal. Hydro-Québec reserves the right to stop processing your application and close the file if it does not receive a response to its request within two months. In such a case, Hydro-Québec will notify you in writing of its intention.

The project is subject to the terms and conditions applicable at the time of its initial submission to Hydro-Québec for confirmation of financial assistance (see Step 2) or payment of financial assistance (see Step 3), as described in this section, using the versions of the tools in effect at that time.

## Steps in the procedure for obtaining financial assistance – Empower Program for Industrial Systems



\* Hydro-Québec reserves the right to request changes to the *Document d'avant-projet* [project outline form].

\*\* Hydro-Québec sends a notice of completed technical check to the customer, for all projects, whether or not an on-site inspection is performed.

\*\*\* Hydro-Québec sends an acknowledgment of receipt after the project is carried out only if you did not request confirmation of financial assistance.

## Detailed procedure for obtaining financial assistance

### Step 1 – Submit the *Document d'avant-projet* [project outline form]

#### Essential step before starting work

#### Documents required at Step 1

ALL PROJECTS	COMMENTS
<ul style="list-style-type: none"><li>▪ <i>Document avant-projet</i> [project outline form]</li></ul>	<ul style="list-style-type: none"><li>▪ The <i>Document d'avant-projet</i> must be submitted to Hydro-Québec BEFORE the project to Hydro-Québec.</li><li>▪ A <i>Document d'avant-projet</i> is NOT a project proposal.</li></ul>

#### 1.1 The *Document d'avant-projet* [project outline form]

- To be able to submit your proposal under the Program, **you must fill in a *Document d'avant-projet* [project outline form] before the project start date.**

##### Start date

1. The project start date is the date on which the first order for equipment (purchase order or invoice showing the order date) related to eligible electricity-saving measures is placed  
**or**
2. The date on which the first contract for work to implement eligible electricity-saving measures is signed.

- **The project outline form briefly describes the electricity-saving measures you plan to implement** in the project for which you'll be requesting financial assistance.
- The form remains valid even if measures are added or eliminated when the project is implemented; you don't have to submit a new one.
- **The form and the file transfer module used to submit it are available on the Program Web site.** When you submit the completed form, the file transfer module will
  1. Record the date of submission;
  2. Automatically assign your project a reference number [*numéro de dossier*], to be used when you officially submit your proposal and in all future correspondence related to the project.

The reference number is specific to a single project and therefore cannot be used for more than one project. The reference number is linked to a user code and password assigned once you have requested them in the file transfer module. Allow 36 hours. Only the holder of the user code may then submit documents related to the project.

Failure to comply with the requirements in effect will lead to refusal of the project presented (if the start date precedes the date on which the *Document d'avant-projet* [project outline form] was received, for instance).

- **A *Document d'avant-projet* [project outline form] is not a project proposal and submitting one does not guarantee you'll receive financial support for your project.** A proposal includes appui.xls or other completed file (see Step 2 for details). Hydro-Québec makes no commitment to fund a project unless it has issued a *Confirmation de l'appui financier* [confirmation of financial assistance] in response to a project proposal submitted as specified in this section.

## 1.2 Receipt of the *Document d'avant-projet*

- **Hydro-Québec records the date on which it receives your *Document d'avant-projet* [project outline form] by means of the file transfer module.** You can then begin work on your eligible electricity-saving measures.

## 1.3 After Hydro-Québec receives the *Document d'avant-projet*

- **You must**
  - submit a project proposal to Hydro-Québec in order to obtain a *Confirmation d'engagement d'un appui financier* [confirmation of financial assistance] prior to commencing work on the project
  - or**
  - carry out the project and submit a request for financial assistance with any supporting documents to Hydro-Québec to receive the financial assistance to which you are entitled, if you have not submitted a prior proposal.
- **When submitting the project proposal, you must confirm the actual start date (as defined by Hydro-Québec) in the *Données administratives* [administrative data] tab of the file (appui.xls or other), which you must fill in once the project has been completed.**

## Step 2 – Request confirmation of financial assistance before carrying out project (optional)

- If you want to submit a **project proposal before your project is carried out so that Hydro-Québec can estimate the financial assistance you may be granted, follow the instructions under Step 2.**
- **Step 2 is optional, however. You may elect to submit your project after the work is completed,** when all program requirements have been met. If you want to submit your project after it is completed, **go directly to Step 3.**

### 2.1 Preparing the request for confirmation of financial assistance (proposal)

**To receive confirmation of financial assistance, the calculation tools and documents required by Hydro-Québec and described in the following pages must be used and all Program requirements must be met.**

### 2.1.1 Tools to be used to request financial assistance under the Program

The table below lists the tools Hydro-Québec requires you to use to calculate financial assistance<sup>6</sup> and eligible electricity savings, depending on the type of measures.

TYPE OF PROJECT	TOOLS TO BE USED	
	TO CALCULATE ELECTRICITY SAVINGS	TO CALCULATE FINANCIAL ASSISTANCE
Lighting measures with automated calculations	<ul style="list-style-type: none"> <li>▪ eclairage.xls</li> </ul>	<ul style="list-style-type: none"> <li>▪ eclairage.xls</li> </ul>
Compressed-air measures with automated calculations	<ul style="list-style-type: none"> <li>▪ compression.xls</li> </ul>	<ul style="list-style-type: none"> <li>▪ compression.xls</li> </ul>
Refrigeration measures with automated calculations	<ul style="list-style-type: none"> <li>▪ refrigeration.exe</li> </ul>	<ul style="list-style-type: none"> <li>▪ refrigeration.exe</li> </ul>
Measures without automated calculations	<ul style="list-style-type: none"> <li>▪ Other files supplied by Hydro-Québec (general.xls or other) and your own calculation files<sup>7</sup></li> </ul>	<ul style="list-style-type: none"> <li>▪ appui.xls</li> </ul>

These tools can be downloaded from [www.hydroquebec.com/industrial](http://www.hydroquebec.com/industrial).

All new requests must be submitted using the **most recent** version of the files. The digits at the end of the file name are the version number.

**For projects involving different types of measures**, you must use the tools specific to each type of measure.

For each file, there is a corresponding guide on using it (in French only). All the guides can be downloaded from [www.hydroquebec.com/industrial](http://www.hydroquebec.com/industrial).

appui.xls	<i>Guide méthodologique</i>
eclairage.xls	<i>Guide méthodologique et technique pour la préparation de projets en éclairage</i>
compression.xls	<i>Guide méthodologique et technique pour la préparation de projets de compression d'air</i>
refrigeration.exe	<i>Guide méthodologique et technique pour la préparation de projets de réfrigération</i>

### 2.1.2 Files and printed documents required

All required documents must be submitted along with the proposal.

The tables below list the files and printed documents to be submitted. Failure to submit any of the files or documents required by the Program could cause a delay in processing the project proposal. Hydro-Québec reserves the right to refuse any nonprobative supporting document.

<sup>6</sup> For information on calculating financial assistance, see Section 4.

<sup>7</sup> You must have Hydro-Québec approve your calculation method ahead of time. To do so, submit a *Demande de confirmation d'admissibilité d'une mesure et d'une méthode de calcul*, which can be downloaded from [www.hydroquebec.com/industrial](http://www.hydroquebec.com/industrial).

**Files and documents required at Step 2 (before you carry out your project, if you want confirmation of financial assistance)**

MEASURES SUBMITTED WITH AUTOMATED CALCULATIONS	MEASURES SUBMITTED WITHOUT AUTOMATED CALCULATIONS	COMMENTS
<p><b>File (eclairage.xls, compression.xls or refrigeration.exe), with these tabs completed:</b></p> <ul style="list-style-type: none"> <li>▪ <i>Données administratives</i> [administrative data]</li> <li>▪ <i>Évaluation de l'appui financier</i> [financial assistance]</li> </ul> <p><b>For projects submitted with refrigeration.exe:</b></p> <p>Files with the extension .ipr are not acceptable.</p>	<p><b>File appui.xls with these tabs completed:</b></p> <ul style="list-style-type: none"> <li>▪ <i>Données administratives</i> [administrative data]</li> <li>▪ <i>Évaluation de l'appui financier</i> [financial assistance]</li> <li>▪ <i>Commentaires</i> [comments]</li> <li>▪ <i>Grille détaillée des coûts</i> [cost breakdown]</li> <li>▪ <i>Autres mesures</i> [other measures] (for projects including lighting measures without automated calculations)</li> </ul> <p><b>Other files supplied by Hydro-Québec (general.xls or other) and your own calculation files</b></p>	<ul style="list-style-type: none"> <li>▪ <u>For projects combining a number of measures:</u> The <i>Données administratives</i> tab found in all files only needs to be completed in one of the files submitted.</li> </ul>
	<p><b>Supporting documents</b></p> <ul style="list-style-type: none"> <li>▪ Submissions concerning most efficient scenario</li> </ul>	
<p><b>Technical data sheets and other documents</b></p> <ul style="list-style-type: none"> <li>▪ See the various methodology and technical guides for the procedure and requirements specific to each file (for example, technical data sheets for efficient compressors in the case of a type 1 measure in compression.xls).</li> </ul>	<p><b>Other relevant documents</b></p> <ul style="list-style-type: none"> <li>▪ Plans and specifications</li> <li>▪ Meter and other readings</li> <li>▪ Simulation results</li> <li>▪ Measurement plans (at Hydro-Québec's request)</li> <li>▪ Technical data sheets</li> <li>▪ Audit reports, etc.</li> </ul> <p><b>Lighting measures without automated calculations (submitted using appui.xls):</b> There is a list of required documents in the technical guide to preparing lighting projects.</p>	<ul style="list-style-type: none"> <li>▪ <u>Measurement plan:</u> Hydro-Québec may require that electricity savings be demonstrated by means of a measurement plan (see Appendix 3 for details).</li> </ul>

**NB:** *Hydro-Québec may ask for other documents it deems necessary.*

## 2.2 – Submitting the project proposal

You must follow the instructions below when submitting the project proposal. **All required documents and information about projects must be provided.**

GENERAL INSTRUCTIONS FOR ALL DOCUMENTS	EXCEPTIONS: WHEN DIGITAL DOCUMENTS CANNOT BE PRODUCED
<ul style="list-style-type: none"><li>▪ You must use the <b>file transfer module</b> to submit required documents, mentioning the <b>reference number</b> assigned to your project when you submitted your <i>Document d'avant-projet</i> [project outline form] (see Section 7, Step 1). This reference number will be used in all future correspondence about the project.</li></ul>	<ul style="list-style-type: none"><li>▪ Printed documents must be faxed to 1 866 303-5562.</li><li>▪ All faxed documents must be identified with the <b>reference number</b> assigned to the project.</li></ul>

## 2.3 – Review and confirmation of financial assistance

Hydro-Québec will review your proposal to make sure it is complete and to check that it meets all Program eligibility criteria.

**If the proposal is incomplete**, a staff member will be in touch with you.

**If the proposal is complete**, Hydro-Québec will start the confirmation process and you will receive one of the following:

- A *Confirmation de l'appui financier* [confirmation of financial assistance]
- A request that you resubmit the proposal with changes
- An explanation of the technical or administrative reasons why the project was turned down

**The *Confirmation de l'appui financier* [confirmation of financial assistance] confirms 80% of the financial assistance granted for the measures analyzed only.**

### Conditions of confirmation of financial assistance

When Hydro-Québec has approved your project proposal, you'll receive a ***Confirmation de l'appui financier*** [confirmation of financial assistance] that is **valid for 24 months**.

- You must complete your project within 24 months of the date of the confirmation letter.
- If you are unable to carry out the project within that time, you must notify Hydro-Québec in writing specifying
  - the reason for the requested extension and
  - your anticipated project completion date.

Hydro-Québec reserves the right to allow or refuse this extension.

Hydro-Québec makes no commitment to fund a project unless it has issued a *Confirmation de l'appui financier* [confirmation of financial assistance]. No changes to the obligations stipulated in the letter may be made without written approval signed by an authorized Hydro-Québec officer.

The final amount of the financial assistance will be determined when a request for payment is made for the completed project as specified in the version of the *Participant's Guide* in effect at the time you initially submitted your proposal and after Hydro-Québec has completed its verification.

**NB:** No confirmation of financial assistance is issued when a project is submitted after it is completed, without a prior proposal.

## **Modifying or cancelling a project proposal**

If you wish to modify or cancel a proposal submitted to Hydro-Québec, you must follow the instructions applicable to the current stage of your project (see Appendix 5).

## **Step 3 – Request payment of financial assistance after carrying out project**

### **3.1 Preparing the request for payment**

Once the work has been completed, you must submit a request for payment of financial assistance, including the final version of required files and other documents.

Even if you decided not to submit a project proposal to obtain confirmation of financial assistance, you must still submit the same files and documents.

The table below lists the files and printed documents required, depending on whether your project consists of measures with or without automated calculations.

Work start and end dates must be entered on the ***Données administratives* [administrative data] tab in appui.xls or other file.**

### **3.2 – Submitting the request for payment**

See Step 2.2.

**Files and printed documents required at Step 3<sup>8</sup> (after project completion, so Hydro-Québec can process the request for financial assistance)**

	WITH PRIOR PROPOSAL AND NO CHANGES TO PROJECT AS CARRIED OUT		WITH PRIOR PROPOSAL AND WITH CHANGES TO PROJECT AS CARRIED OUT		WITHOUT PRIOR PROPOSAL	
	Measures with automated calculations	Measures without automated calculations	Measures with automated calculations	Measures without automated calculations	Measures with automated calculations	Measures without automated calculations
Completed file (appui.xls, etc.) and required calculation files <sup>9</sup>	X	X	X	X	X	X
Signed <i>Grille détaillée des coûts</i> [cost breakdown] tab (in calculation file)		X		X		X
Supporting documents for all costs incurred (invoices for purchase of energy-efficient equipment, etc.)		X		X		X
Other relevant documents <sup>10</sup>			X	X	X	X

**For other measures without automated calculations**

- **For projects receiving financial assistance of \$7,500 or more, the following supporting documents must also be provided:**
  - Supporting documents for all costs incurred (invoices for purchase of energy-efficient equipment, etc.);
  - Supporting documents regarding operating hours (such as payroll records or any other record of hours worked) must be produced on request;
  - For in-house labor costs:
    - A signed document stating, for each employee, name, number of hours charged to the project and hourly wage;
    - If the document is not signed, also provide a copy of the payroll or any other document showing hours and hourly wages;
- **For projects receiving financial assistance of under \$7,500, the same supporting documents must be produced on request.**

<sup>8</sup>. Hydro-Québec may ask for any other documents it deems necessary.

<sup>9</sup>. See List of files and printed documents required at Step 2.

<sup>10</sup>. See methodology and technical guides for procedure and requirements specific to each calculation file.

## Step 4 – Hydro-Québec verifies compliance and approves project

Once Hydro-Québec has received your request for payment of financial assistance, the project approval process will begin.

Hydro-Québec may visit your building to inspect the project and make sure the work has been carried out as specified in the proposal. You'll be given two business days' notice in case of a visit.

Hydro-Québec reserves the right to adjust or cancel the financial assistance granted to the project if the inspector finds that the work has not been carried out as specified in the project proposal.

Hydro-Québec sends you a notice of completed technical check for all projects, whether or not an on-site inspection is performed.

## Step 5 – Invoice Hydro-Québec for financial assistance

### Documents required at Step 5 (so Hydro-Québec can pay out the financial assistance)

ALL PROJECTS	COMMENTS
<ul style="list-style-type: none"><li>▪ Invoice for financial assistance plus taxes.</li><li>▪ Informations requises relativement au <i>Relevé 27 – Déclaration du client</i> [<i>Relevé 27</i> tax slip information – customer's declaration].</li></ul>	You must send your invoice with the duly completed and signed form only after receiving a letter from Hydro-Québec specifying the amount of the invoice for financial assistance and taxes.

Since payments by Hydro-Québec under the Program are subject to the goods and services tax (GST) and the Québec sales tax (QST), you must first issue an invoice indicating the amounts of each of these taxes.

The invoice must also provide all the information stipulated by tax regulations, including GST and QST registration numbers, if applicable.

To help you produce the invoice, Hydro-Québec will send you a letter specifying the information required under the Program and the amount of the financial assistance. Once you have put together all the required information, you must issue an invoice through your accounting system and fax it to Hydro-Québec at **1 866 303-5562**.

With the letter specifying the amount of the invoice for financial assistance and taxes, Hydro-Québec will send you the partially completed form entitled Informations requises relativement au *Relevé 27 – Déclaration du client* [*Relevé 27* tax slip information – customer's declaration]. You must complete and sign this form and send it to Hydro-Québec with your invoice. In signing this document where indicated, you certify that the information provided in all the documents submitted for the Program is true and complete.

## **Step 6 – Hydro-Québec pays out financial assistance**

Upon receipt of your invoice and the duly completed form entitled *Informations requises relativement au Relevé 27 – Déclaration du client*, Hydro-Québec will pay out the approved amount.

Hydro-Québec reserves the right to refuse to pay out the financial assistance, in whole or in part, should your energy efficiency project fail to meet Program requirements.

Hydro-Québec may deduct from the financial assistance any amount owing, including any electricity bill, whether overdue or not, or any deposit for a service contract that you hold.

## Annexe 1 Program and Document History

This list of amendments is provided for information purposes only.

DATE	AMENDMENT
January 2004 Vol. 1, No. 1	Start of Program
February 2005 Vol. 2, No. 1  Effective Oct. 21, 2004	<ul style="list-style-type: none"> <li>▪ Financial assistance increased from 10¢/kWh to 15¢/kWh</li> <li>▪ Payback period reduced from 18 months to 12 months</li> <li>▪ Maximum assistance increased from \$150,000 to \$300,000</li> </ul>
February 2006 Vol. 3, No. 1	<p><b>Made ineligible</b></p> <ul style="list-style-type: none"> <li>▪ Conversion to electricity of equipment using fuel</li> <li>▪ Conversion to fuel of equipment using electricity</li> </ul>
April 2006 Vol. 3, No. 2	<ul style="list-style-type: none"> <li>▪ False declaration: Financial assistance cancelled or reimbursed</li> <li>▪ Signed power of attorney required to be represented by a third party</li> <li>▪ Financial assistance file (appui.xls) made mandatory for submitting a project</li> <li>▪ Terms and conditions considered in processing a project made those of the <i>Participant's Guide</i> in effect when the project is submitted to Hydro-Québec</li> <li>▪ For motors, a project's cumulative electricity savings no longer limited to three years</li> <li>▪ Possibility of breaking a project down into several projects provided measures do not overlap</li> <li>▪ Project with payback period of one year or less without financial assistance made ineligible</li> <li>▪ Eligibility criterion: Facility must be located in Québec</li> <li>▪ Submitting projects more than twice disallowed</li> <li>▪ Details regarding NAICS codes and exceptions</li> <li>▪ Detail removed regarding eligibility of a project in a generating station</li> <li>▪ Eligibility of new technologies: solar, geothermal and heat recovery</li> </ul>

DATE	AMENDMENT
<p><b>April 2006</b>  <b>Vol. 3, No. 2</b>  <b>(cont'd)</b></p>	<ul style="list-style-type: none"> <li>▪ Requirement: Installation of new equipment</li> <li>▪ Eligibility criterion: Equipment in operation for at least five years</li> <li>▪ Ineligibility criteria <ul style="list-style-type: none"> <li>– Equipment converted from other sources of energy to electricity</li> <li>– Equipment converted to other sources of energy from electricity</li> <li>– Self-generation, microgeneration or privately produced electricity (photovoltaic cells, cogeneration, generators and wind turbines)</li> </ul> </li> <li>▪ Evaluation of benchmark scenario and production volume</li> <li>▪ For some measures, benchmark scenarios may be specified by Hydro-Québec and become mandatory for submitting a project</li> <li>▪ Benchmark scenario no longer defined in terms of lowest cost on the market</li> <li>▪ Eligible costs: Measurements</li> <li>▪ Ineligible costs <ul style="list-style-type: none"> <li>– Residual value of equipment</li> <li>– Other financial support received deducted from eligible program costs</li> <li>– Charges to scrap any equipment or material replaced, or to dispose of hazardous materials</li> <li>– Financing, management and other administrative costs</li> </ul> </li> <li>▪ Requirement to submit all supporting documents except for projects with financial assistance of less than \$7,500 (supporting documents on request)</li> <li>▪ Measurements requested for certain projects targeted by Hydro-Québec</li> <li>▪ Request for confirmation of eligibility of a measure and calculation method</li> <li>▪ Completing the <i>Grille détaillée des coûts</i> [cost breakdown] before and after the project made mandatory</li> <li>▪ Modification or cancellation by the customer of an application for financial assistance already submitted to Hydro-Québec</li> <li>▪ Breakdown of bill and copy of contract required for projects with an energy performance contract</li> <li>▪ Financial assistance is taxable and customer must send an invoice to Hydro-Québec</li> <li>▪ Details on the procedure for submitting a project before and after it is completed</li> <li>▪ Rule on time for processing a project</li> <li>▪ Billing history under the <i>Données de facturation</i> [billing data] tab of appui.xls: 13 electricity bills used instead of 7</li> </ul>
<p><b>July 1, 2006</b>  <b>Vol. 3, No. 3</b></p>	<ul style="list-style-type: none"> <li>▪ Benchmark scenario defined by customer unless predefined by Hydro-Québec</li> </ul>

DATE	AMENDMENT
<p>December 2006 Vol. 3, No. 4</p>	<ul style="list-style-type: none"> <li>▪ Eligible customers: off-grid systems</li> <li>▪ Project eligibility and retroactivity: limit of one year for implemented projects <b>submitted after completion</b></li> <li>▪ Assignment of project to program and tools to be used for measures applicable to buildings classified under NAICS as goods-producing industries</li> <li>▪ Summary of tools to be used for measures applicable to buildings classified under NAICS as services-producing industries</li> <li>▪ Eligible costs: Nonrefundable taxes, for some not-for-profit organizations</li> <li>▪ Lighting: Special terms and tools applicable</li> <li>▪ Justification required if costs exceed mean market values</li> </ul>
<p>July 2007 Vol. 4, No. 1</p>	<ul style="list-style-type: none"> <li>▪ New project eligibility criterion: Submission of <i>Document d'avant-projet</i> [project outline form] before the start date</li> <li>▪ Elimination of project eligibility and retroactivity: Limit of one year for implemented projects <b>submitted after completion</b></li> <li>▪ Updating of file éclairage_r2.xls</li> <li>▪ Closing of file if applicant fails to respond to a request for information from Hydro-Québec within two months</li> <li>▪ For project proposals, no longer necessary to sign the <i>Grille détaillée des coûts</i> [cost breakdown]</li> <li>▪ Confirmation of actual start date on the <i>Engagement de réalisation</i> [performance undertaking] form</li> <li>▪ Possibility of submitting up to three proposals for any one project</li> </ul>
<p>June 2, 2008 Vol. 5, No. 1</p>	<p><b><u>Tools to be used to apply for financial assistance</u></b></p> <ul style="list-style-type: none"> <li>▪ Existing files updated</li> <li>▪ New automated calculation file for refrigeration projects</li> </ul> <p><b><u>Streamlining of procedure for submitting and processing project proposals and requests for payment of financial assistance</u></b></p> <p><b><u>Streamlining of administrative requirements and procedures</u></b></p> <ul style="list-style-type: none"> <li>▪ Acknowledgment of receipt added</li> <li>▪ Changes relating to the form entitled <i>Informations requises relativement au Relevé 27</i> in the procedure for requesting financial assistance <ul style="list-style-type: none"> <li>– Hydro-Québec sends a partially completed form using data already available together with a letter asking for an invoice for financial assistance and taxes</li> <li>– Customer's declaration added to form</li> </ul> </li> <li>▪ Elimination of the <i>Engagement de réalisation</i> [performance undertaking] form and inclusion of the information from this form in the calculation files, the form entitled <i>Informations requises relativement au Relevé 27 – Déclaration du client</i> and the acknowledgment of receipt</li> </ul>

DATE	AMENDMENT
	<p><b><u>Streamlining of technical requirements and procedures</u></b></p> <ul style="list-style-type: none"> <li>▪ Changes to rules for calculating financial assistance <ul style="list-style-type: none"> <li>– For measures with automated calculations: Elimination of payback rule (amount required to reduce the payback period to 12 months)</li> <li>– For measures without automated calculations: Elimination of payback rule (amount required to reduce the payback period to 12 months) and replacement with “40% of eligible costs” rule</li> <li>– Elimination of \$300,000 ceiling on financial assistance per project</li> </ul> </li> <li>▪ Elimination of requirement related to invoices and elimination of <i>Grille détaillée des coûts</i> [cost breakdown] for measures with automated calculations (eclairage.xls, compression.xls and refrigeration.exe)</li> <li>▪ Changes to calculation rules for off-grid systems in the basic Program rules</li> </ul> <p><b><u>Miscellaneous</u></b></p> <ul style="list-style-type: none"> <li>▪ Definition of “eligible customer” clarified</li> <li>▪ Elimination of consideration of other sources of financial support in calculating financial assistance</li> </ul>
<b>December 1, 2008</b>	<ul style="list-style-type: none"> <li>▪ Requirement to complete <i>Document d'avant-projet</i> [project outline form] online added</li> </ul>
<b>December 14, 2008</b>	<ul style="list-style-type: none"> <li>▪ File refrigeration_r1.exe put online for automated calculation of measures for refrigeration projects</li> </ul>
<b>March 30, 2009</b>	<ul style="list-style-type: none"> <li>▪ Eligibility of new equipment and ineligibility of used equipment specified</li> <li>▪ Elimination of provision concerning ineligibility of a measure that saves energy through technological changes without adding more efficient electrical equipment</li> <li>▪ Elimination of ineligibility of costs of nonelectrical equipment that generates energy savings</li> <li>▪ Elimination 24-month validity period of <i>Document d'avant-projet</i> [project outline form]</li> <li>▪ Version 4 of eclaireage.xls put on online</li> <li>▪ Notice of completion of technical check added at Step 4</li> </ul>

## **Annexe 2 North American Industry Classification System Codes Eligible for Empower Programs**

### **Guidelines**

- If the economic activity of the building targeted by the project is classified as a **services-producing industry** according to the North American Industry Classification System (NAICS), the project must be submitted under the **Empower Program for Building Optimization**.
- If the economic activity of the building targeted by the project is classified as a **goods-producing industry** according to the NAICS, the project must be submitted under the **Empower Program for Industrial Systems**.

Industries in each of these categories are listed below.

### **NB:**

- These guidelines apply to projects involving **office space, the building envelope or HVAC systems**. It is the economic activity of the building targeted by the project that determines the program for which it is eligible.
- Similarly, the guidelines apply to **all projects carried out on a construction site**. It is the intended economic activity of the building under construction targeted by the project that determines the program for which it is eligible (not to be confused with Industry 23, “Construction”).
- **Exceptions** to these guidelines are listed on the next page.

Services-Producing Industries – Empower Program for Building Optimization	Goods-Producing Industries – Empower Program for Industrial Systems
41 – Wholesale Trade	11 – Agriculture, Forestry, Fishing and Hunting
44–45 – Retail Trade	21 – Mining and Oil and Gas Extraction
48–49 – Transportation and Warehousing	22 – Utilities
51 – Information and Cultural Industries	23 – Construction
52 – Finance and Insurance	31–33 – Manufacturing
53 – Real Estate and Rental and Leasing	
54 – Professional, Scientific and Technical Services	
55 – Management of Companies and Enterprises	
56 – Administrative and Support, Waste Management and Remediation Services	
61 – Educational Services	
62 – Health Care and Social Assistance	
71 – Arts, Entertainment and Recreation	
72 – Accommodation and Food Services	
81 – Other Services (except Public Administration)	
91 – Public Administration	

EXCEPTIONS	EXCEPTIONS
<p><b>713920 – Skiing Facilities</b> Projects involving the following fall under the Empower Program for Industrial Systems:</p> <ul style="list-style-type: none"> <li>▪ Snow-making equipment</li> <li>▪ Ski lifts</li> </ul>	<p><i>A project conducted in an <b>office space with multiple NAICS codes</b> (primary and secondary) falls under the <b>Empower Program for Building Optimization</b> if the secondary NAICS code is for a <b>services-producing industry</b>.</i></p> <p><i>Example</i> 325410 – Pharmaceutical and Medicine Manufacturing (primary) 541710 – Research and Development Laboratories (secondary)</p>
	<p><b>23 – Construction</b> All projects in <b>buildings</b> associated with the construction industry fall under the Empower Program for Building Optimization.</p>
	<p><b>115 – Support Activities for Agriculture and Forestry</b> All projects associated with this industry fall under the Empower Program for Building Optimization.</p>
	<p><b>213 – Support Activities for Mining and Oil and Gas Extraction</b> All projects associated with this industry fall under the Empower Program for Building Optimization.</p>

## Tools to Be Used for Measures Applicable to Buildings Classified under NAICS as Goods-Producing Industries

MEASURES	TOOLS TO BE USED
Measures involving administrative space (head office, office, conference room, etc.). Exception: lighting projects.	Estimate electricity savings using the tools listed below and carry them over to appui.xls. <ul style="list-style-type: none"> <li>▪ PEP – <i>Vocation de référence – Bureau</i> [reference building type – office]<sup>11</sup></li> </ul> <b>and</b> <ul style="list-style-type: none"> <li>▪ appui.xls</li> </ul>
Lighting	<ul style="list-style-type: none"> <li>▪ eclairage.xls</li> </ul>
HVAC systems or building envelope	<ul style="list-style-type: none"> <li>▪ PEP – <i>Vocation de référence – Entrepôt</i> [reference building type – warehouse] <b>or</b></li> <li>▪ general.xls</li> </ul> <b>and</b> <ul style="list-style-type: none"> <li>▪ appui.xls</li> </ul>
Solar walls	<ul style="list-style-type: none"> <li>▪ Natural Resources Canada’s RETScreen application</li> </ul> <b>and</b> <ul style="list-style-type: none"> <li>▪ appui.xls</li> </ul>
Heat recovery	<ul style="list-style-type: none"> <li>▪ general.xls</li> </ul> <b>and</b> <ul style="list-style-type: none"> <li>▪ appui.xls</li> </ul>

You do not need to register as a partnering professional to submit a project under the Empower Program for Industrial Systems, even though you do have to use PEP to estimate electricity savings.

<sup>11</sup> Project evaluation software (PEP) provided for the Empower Program for Building Optimization.

## **Annexe 3 Projects Requiring a Measurement Plan**

To be eligible for the Empower Program for Industrial Systems, some projects require a measurement plan, as described in this appendix. In such instances, you are responsible for measuring consumption before and after the project.

### **Handling of expenses incurred**

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Costs are incurred at your expense but are recognized as eligible costs if the project is approved.

### **Situations requiring a plan**

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Measurements may be requested before and/or after the project, as required, under any of the following conditions:

- Calculations used are complex and very hard to validate
- Calculations are based on methods that are not recognized
- Calculations of savings are based on assumptions that cannot be verified
- Resulting savings vary widely depending on how the system is used
- Savings are overestimated based on generally recognized results or according to the opinion of expert committees
- Emerging technology not yet extensively measured is being implemented
- Configuration and consumption of existing system does not match benchmark scenario

### **Choosing a measurement approach**

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Measurement methods vary in terms of precision, depending on the project. You must have Hydro-Québec approve your measurement plan and the company selected to conduct it before going ahead.

The choice of method is based on the following factors:

- Predictability of equipment operating cycles
- Availability of data for assessing electricity savings
- Impact of production variations on electricity consumption
- Whether a particular metering method is cost-justified

There are two main measurement approaches, which differ essentially in their level of precision.

You are also responsible for the validity of the measurement data and calculations, and must provide Hydro-Québec with copies of any references on which calculations and measurement data are based.

Spot check measurement	Electricity savings are estimated based on engineering calculations using typical equipment specifications (data sheets, nameplate ratings, tables of recognized electricity savings, system case studies, etc.) and generic operating data, supported by spot measurements or by simple monitoring over a limited period of time.	Measurement applied to equipment or systems whose operating cycle varies little or not at all.
Cycle check measurement	Electricity savings are estimated based on detailed monitoring over a period providing a representative sample of operating profiles, and in some instances, on an analysis of plant production profiles over an extended period of time.	Measurement applied to equipment, systems or processes with major variations in load and with long operating cycles.

## Measurement plan

You must develop a plan for measuring electricity consumption indicating, where appropriate, the measurement methods to be used before and after project implementation.

To be acceptable to Hydro-Québec, the measurement plan must be shown to monitor, analyze and calculate consumption in a way that is appropriate, sufficiently accurate and well-suited to operations.

The measurement plan required in such instances must first be approved by Hydro-Québec and must cover the aspects listed below.

### 1. Description of project

- Description and, if needed, diagrams of equipment, systems or processes
- List of key operating and production parameters potentially affecting consumption
- Description of typical operating cycles (daily, weekly, monthly or yearly, as appropriate)
- List of variables to measure in order to obtain or calculate consumption

### 2. Description of measurement points

- Measurement points after implementing electricity management measures, variables measured, duration of measurement and measurement equipment
- Measurement points after implementing electricity management measures, variables measured, duration of measurement and measurement equipment

### 3. Measurement schedule

- Dates and duration of measurements taken

### 4. Adjustments to electricity savings

- Description of how pre- and/or postproject measurements are adjusted to determine annual consumption corresponding to the annual production profile

### 5. Name and contact information of the company that will carry out the measurement plan and prepare analyses, reports and supporting documents

## **Annexe 4 Conditions Applicable to Off-Grid Systems**

This appendix describes terms and conditions specific to off-grid systems. Projects involving off-grid systems must also comply with all other Program terms and conditions.

### **Eligible customers**

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#### **Villages in the Lac-Robertson region**

Blanc-Sablon, Bradore-Bay, Chevery, Harrington-Harbour, La Tabatière, Lourdes-du-Blanc-Sablon, Middle-Bay, Mutton-Bay, Old Fort Bay, Rivière-Saint-Paul, Saint-Augustin-Saguenay, Tête-à-la-Baleine, Côte-du-Nord-du-Golfe-Saint-Laurent, Gros-Mécatina, Bonne-Espérance and Pakuashipi

#### **Villages in the Îles-de-la-Madeleine region**

Bassin, Havre-aux-Maisons, Cap-aux-Meules, Fatima, Grande-Entrée, Grosse-Île, Île-du-Havre-Aubert, Île-d'Entrée and Étang-du-Nord

#### **Villages in the Nunavik region**

Akulivik, Aupaluk, Inukjuak, Ivujivik, Kangiqsualujjuaq, Kangiqsujuaq, Kangirsuk, Kuujjuaq, Kuujuarapik, Whapmagoostui, Puvirnituaq, Quaqtaq, Salluit, Tasijuaq and Umiujaq

#### **Villages in the Haute-Mauricie region**

Opitciwan (Obedjiwan), Wemotaci and Clova

#### **Village in the Anticosti region : Port-Menier**

#### **Village of La Romaine**

### **Eligible measures**

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Any measure that helps reduce oil consumption in a building connected to an off-grid system (with the exception of the Lac-Robertson system) is recognized in calculating financial assistance and energy savings. In other words, in such a case, electricity savings have the same value as oil savings, and the threshold of energy savings required for a given project, system or process is expressed in kilowatthours equivalent (kWhe). Thus, work on the project must generate **at least 25,000 kWhe/year** in energy savings, as defined under the Empower Program for Industrial Systems.

### **Ineligible measures**

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Any conversion from one source of energy to another is excluded.

### **Calculating financial assistance**

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The method of calculating financial assistance is presented in the table on the next page.

The conversion factor for litres of oil to kilowatthours is **7,5118 kWhe/L**, or the equivalent of an oil heating system operating at 70% efficiency.

## Program terms and conditions

Program terms and conditions applicable to off-grid systems are summarized in the table below.

	REGION	CONDITIONS				
<b>Calculating financial assistance</b>	1) Île-d'Anticosti 2) La Romaine 3) Haute-Mauricie 4) Nunavik 5) Îles-de-la-Madeleine	<p>Financial assistance (<b>oil included</b>) is defined as shown below.</p> <table border="1"> <thead> <tr> <th>MEASURES WITH AUTOMATED CALCULATIONS (eclairage.xls, compression.xls or refrigeration.exe)</th> <th>MEASURES WITHOUT AUTOMATED CALCULATIONS (appui.xls)</th> </tr> </thead> <tbody> <tr> <td>Max. eligible kilowatthours equivalent saved* / year X 15¢</td> <td> <p>Financial assistance will be the lowest of the following amounts:</p> <ul style="list-style-type: none"> <li>▪ eligible kilowatthours equivalent saved*/ year X 15¢</li> <li>▪ 40% of total eligible costs (See Section 6 for definition)</li> </ul> </td> </tr> </tbody> </table> <p>For other conditions, see this guide. *Exceeding benchmark.</p>	MEASURES WITH AUTOMATED CALCULATIONS (eclairage.xls, compression.xls or refrigeration.exe)	MEASURES WITHOUT AUTOMATED CALCULATIONS (appui.xls)	Max. eligible kilowatthours equivalent saved* / year X 15¢	<p>Financial assistance will be the lowest of the following amounts:</p> <ul style="list-style-type: none"> <li>▪ eligible kilowatthours equivalent saved*/ year X 15¢</li> <li>▪ 40% of total eligible costs (See Section 6 for definition)</li> </ul>
	MEASURES WITH AUTOMATED CALCULATIONS (eclairage.xls, compression.xls or refrigeration.exe)	MEASURES WITHOUT AUTOMATED CALCULATIONS (appui.xls)				
Max. eligible kilowatthours equivalent saved* / year X 15¢	<p>Financial assistance will be the lowest of the following amounts:</p> <ul style="list-style-type: none"> <li>▪ eligible kilowatthours equivalent saved*/ year X 15¢</li> <li>▪ 40% of total eligible costs (See Section 6 for definition)</li> </ul>					
6) Lac-Robertson	See this guide.					
<b>Developing a project</b>	All	See this guide.				

To reach us, call 1 866 542-3946.

## Annexe 5 **Modifying or Cancelling a Request for Financial Assistance Submitted to Hydro-Québec**

PROJECT STAGE	PROCEDURE
<p><b>Case 1</b></p> <ul style="list-style-type: none"> <li>▪ You want to modify your project during the technical review</li> </ul>	<ol style="list-style-type: none"> <li>1. If Hydro-Québec’s technical reviewer deems the changes minor, Hydro-Québec may agree to make the change to the project on file at your written request.</li> <li>2. If Hydro-Québec’s technical review deems the changes major, and work has not yet started, you must send Hydro-Québec a letter canceling your request for financial assistance.*</li> </ol> <p>You must <b>submit a new Document d’avant projet [project outline form] before work begins</b> and submit a new project using the currently valid tools. Hydro-Québec will process and study the new project based on the terms and conditions applicable at that time.</p>
<p><b>Case 2</b></p> <ul style="list-style-type: none"> <li>▪ You want to modify your project after Hydro-Québec has issued a <i>Confirmation de l’appui financier</i> [confirmation of financial assistance]</li> </ul>	<p>If work has not yet started, you must send Hydro-Québec a letter canceling your request for financial assistance.*</p> <p>You must <b>submit a new Document d’avant projet [project outline form] before work begins</b> and must submit a new project using currently valid tools. Hydro-Québec will process and study the new project based on the terms and conditions applicable at that time.</p>
<p><b>Case 3</b></p> <ul style="list-style-type: none"> <li>▪ You want to modify your project when requesting payment for a project that has been carried out</li> </ul>	<p>You must send Hydro-Québec the following documents using the tools valid when the project was originally submitted:</p> <ul style="list-style-type: none"> <li>▪ Revised version of calculation files</li> <li>▪ Documents required at time of original submission (see guide)</li> </ul> <p>HQ will process and study your proposal in accordance with the terms and conditions in effect at the time of the original submission.</p>

\*The letter must include the following information:

- The address of the building concerned
- The reference number assigned by Hydro-Québec (you can obtain this number from your Hydro-Québec representative)
- The name of the partner who submitted the request, if applicable
- The reason you want to cancel your request for financial assistance

The letter must be signed by an authorized official in your company and faxed to Hydro-Québec at **1 866 303-5562**.

**NB:** *If you submit a request for financial assistance and then cancel it, you are no longer entitled to that assistance—even if Hydro-Québec had agreed to pay it.*

## **Annexe 6 Energy Efficiency Program Coordinators – Municipal and Cooperative Systems**

<p><b>Coopérative Régionale d'Électricité de Saint-Jean-Baptiste-de-Rouville</b>            Jacques Collins            General Manager            3113, rue Principale            Saint-Jean-Baptiste-de-Rouville (Québec) J0L 2B0            Telephone: 450 467-5583            Fax: 450 467-0092  <a href="mailto:collins.jacques@coopsjb.com">collins.jacques@coopsjb.com</a></p>	<p><b>Ville de Coaticook</b>            Roger Garceau            Treasurer            150, rue Child            Coaticook (Québec) J1A 2B3            Telephone: (819) 849-2721, ext. 236            Fax: (819) 849-9669  <a href="mailto:rogergarceau@ville.coaticook.qc.ca">rogergarceau@ville.coaticook.qc.ca</a></p>
<p><b>City of Westmount</b>            Pierre Dubé, Eng.            Director, Hydro Westmount            995, chemin Glen            Westmount (Québec) H3Z 2L8            Telephone: 514 989-5401            Fax: 514 989-5490  <a href="mailto:pdube@westmount.org">pdube@westmount.org</a></p>	<p><b>Ville de Joliette</b>            Robert Parent            Director, Electricity Services            485, rue P.-H. Desrosiers            Joliette (Québec) J6E 6H2            Telephone: 450 753-8103            Fax: 450 753-8108  <a href="mailto:robert.parent@ville.joliette.qc.ca">robert.parent@ville.joliette.qc.ca</a></p>
<p><b>Ville d'Alma</b>            Karine Morel, Eng.            Public Works            900, rue Bombardier            Alma (Québec) G8B 7A1            Telephone: (418) 669-5001, ext. 5147            Fax: (418) 669-5180  <a href="mailto:karine.morel@ville.alma.qc.ca">karine.morel@ville.alma.qc.ca</a></p>	<p><b>Ville de Magog</b>            Charles Fournier            Director, Public Works            520, rue Saint-Luc            Magog (Québec) J1X 2X1            Telephone: (819) 843-7200            Fax: (819) 843-3330  <a href="mailto:c.fournier@ville.magog.qc.ca">c.fournier@ville.magog.qc.ca</a></p>
<p><b>Ville d'Amos</b>            Vincent St-Georges            Division Manager, Electricity            182, 1<sup>re</sup> Rue Est            Amos (Québec) J9T 2G1            Telephone: (819) 732-3254, ext. 237            Fax: (819) 727-9792  <a href="mailto:vincent.st-georges@ville.amos.qc.ca">vincent.st-georges@ville.amos.qc.ca</a></p>	<p><b>Ville de Saguenay</b>            Claude Bouchard            Director, Service Hydro-Jonquière            1710, rue Sainte-Famille            Jonquière (Québec) G7X 7W7            Telephone: (418) 546-2073            Fax: (418) 546-2068  <a href="mailto:claud.bouchard@ville.saguenay.qc.ca">claud.bouchard@ville.saguenay.qc.ca</a></p>
<p><b>Ville de Baie-Comeau</b>            André Pratte            Division Manager, Electricity and Water Treatment            30, avenue Dollard-des-Ormeaux            Baie-Comeau (Québec) G4Z 1L2            Telephone: (418) 296-8171            Fax: (418) 296-3095  <a href="mailto:apratte@ville.baie-comeau.qc.ca">apratte@ville.baie-comeau.qc.ca</a></p>	<p><b>Ville de Sherbrooke</b>            Pierre Fréchet            Assistant Director, Hydro-Sherbrooke            1800, rue Roy,            C. P. 610            Sherbrooke (Québec) J1K 1B6            Telephone: (819) 821-5727, ext. 5747            Fax: (819) 822-6085  <a href="mailto:pierre.frechet@ville.sherbrooke.qc.ca">pierre.frechet@ville.sherbrooke.qc.ca</a></p>

## Annexe 7 To Reach Us

If you have read this guide and visited the Hydro-Québec Web site, but still have questions about the Program, you can contact your **Hydro-Québec representative** or our **Services à la clientèle d'affaires** [business customer services office] in your region.

<b>Information or help:</b> <ul style="list-style-type: none"><li>▪ Eligibility</li><li>▪ Program terms and conditions</li><li>▪ Project follow-up and amount of financial assistance</li><li>▪ Eligible costs</li><li>▪ Developing a project</li><li>▪ Other</li></ul>	<b>1 877 817-1433</b>
<b>Bureau de validation des demandes d'appui aux initiatives (validation bureau)</b> <b>Inquiries:</b> <ul style="list-style-type: none"><li>▪ Confirmation of the eligibility of a measure or a calculation method</li></ul>	<b>Fax</b> 1 866 303-5562
	<b>Mailing address</b> 24 <sup>e</sup> étage 2, complexe Desjardins, tour Est C. P. 10000, succ. Desjardins Montréal (Québec) H5B 1H7
<b>Technical support:</b> <ul style="list-style-type: none"><li>▪ Downloading Excel or other files</li><li>▪ Requesting a user code</li><li>▪ Finding your reference number</li><li>▪ Procedures for uploading your project report</li></ul>	Montréal area <b>514 858-7927</b>
	Other regions <b>1 888 858-7927</b>