Invest in a Thermal Energy Storage system and earn up to $1.5 million in incentives for shifting your cooling load to off-peak hours

Air conditioning represents a major portion of most businesses’ energy bills, especially in Northern California’s warmer summer climate. Now reduce these costs, as well as the stress on the power grid during peak demand periods, by investing in a Thermal Energy Storage (TES) system and letting Pacific Gas and Electric Company (PG&E) help offset your investment costs. With PG&E’s Thermal Energy Storage Program, participating customers can earn up to $1.5 million in incentives based on how much of their cooling load they are able to permanently shift to off-peak hours using qualified TES technology.

Benefits of thermal energy storage

TES technology shifts electrical load by creating and storing ice or cold water during the morning or later evening hours, when energy rates are lower. During the afternoon hours when rates are higher, the building’s heating, ventilation and air conditioning (HVAC) system uses this previously stored cold resource to reduce cooling costs and maintain comfortable facility temperatures. This technology offers many benefits including:

- Reduced on-peak electric demand
- Reduced electricity costs
- Smaller chiller capacity to meet peak cooling demands
- Lower capital costs
- Lower life cycle costs
- Improved operational flexibility

How the program works

<table>
<thead>
<tr>
<th>Application</th>
<th>Installation</th>
<th>Verification</th>
<th>Payment</th>
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</table>
| Submit your application to PG&E, along with a feasibility study prepared by a California state-licensed engineer. Schedule a pre-installation inspection. | Install a qualified new TES system within 18 months after PG&E approves the project and reserves the incentive. (Extensions will be considered on a case-by-case basis.) Schedule and complete a post-installation inspection. Agree to shift on-peak cooling load to off-peak periods for 60 consecutive months. | Commit to monitor and record equipment performance data, and submit monthly data to PG&E for 5 years. The incentive payment is subject to verification of installation, costs, commissioning and cooling load shift. | Choose from two payment methods:  
**Option 1:** Collect 25% of the cost of your feasibility study (up to $10,000) after PG&E approves your study and pre-installation inspection. Receive the rest of your payment after the post-installation inspection, verification of energy savings and final project approval.  
**Option 2:** Collect the entire amount on final approval. |
Estimating your incentive

Pacific Gas and Electric Company (PG&E) will verify your cooling load shift and convert it from tonnage to kilowatts (kW). The conversion formula for water-cooled chillers is 0.7 kW per ton. The conversion formula for air-cooled chillers is 1.2 kW per ton. You may earn incentives of up to $875 per kilowatt of shifted load. The incentive will be the lesser of the calculated incentive or 50 percent of the total verified project cost. Incentive payment is capped at $1.5M per customer.

The incentive is based on your designed and verified cooling load shift during the feasibility study review and post-installation inspection. This calculation will apply to both full and partial storage systems.

Example calculation:

<table>
<thead>
<tr>
<th>Designed and Verified Cooling Load Shift</th>
<th>0.7 kW / ton</th>
<th>$875</th>
<th>Calculated Incentive ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conversion Factor</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Project Cost ($)</td>
<td></td>
<td>50 percent</td>
<td>Project Cost Cap</td>
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<tr>
<td>Project Cost</td>
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</tbody>
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Eligibility requirements

To qualify for this incentive your business must:

- Be enrolled in Bundled Service, Direct Access, or Community Choice Aggregation
- Be billed on a Time-of-Use (TOU) rate schedule for the duration of the monitoring period (5 years)
- Use a PG&E SmartMeter™ or interval meter

Equipment requirements

You must install new Thermal Energy Storage equipment that comes with a five-year warranty that provides for replacement of equipment in the case of manufacturer defects or breakdown.*

Qualifying Thermal Energy Storage systems must be:

- Commercially available with a proven track record and compliant with all applicable building codes
- Designed with the capacity to shift cooling load to off-peak periods
- Fully automated and integrated with the facility's onsite cooling system

Next Steps

To learn more about Permanent Load Shifting and the Thermal Energy Storage Program, contact your PG&E account manager, email PLS-TES@pge.com or leave a message at the PLS-TES Helpline at 1-855-350-2040. You can also go to pge.com/tes

*PG&E may make an exception for refurbished inoperable Thermal Energy Storage tanks.

The PLS-TES Incentive program is accepting applications until December 31, 2017, or until funding is depleted, whichever comes first. This fact sheet is meant to be an aid to understanding PG&E’s PLS-TES Program. It does not replace information contained in the CPUC-approved Decisions or tariffs. Please refer to the individual rate schedule available at pge.com/tariffs or the PLS-TES Program Application Agreement for a complete list of terms and conditions of service.

February 2017  CDR-0217-7943