



MAKES BUSINESS SENSE

Plant Retrofit Program

MAJOR CUSTOMERS



Plant Retrofit Program – Major Customers

The Plant Retrofit Program – Major Customers offers financial assistance to large-power customers for retrofit projects that considerably reduce the overall electricity consumption of one or more plants operated by the same customer.

Companies regularly plan extensive retrofits to improve their competitive position, yet given the scope of the investment required in relation to anticipated benefits, few are actually carried out.

The goal of the financial assistance under the Program is therefore to encourage companies to select large-scale retrofits that involve substantially greater reductions of electricity consumption than would be the case with other big projects.

The Program does not prescribe any particular electricity management measures. Rather, it supports the implementation of electricity management initiatives proposed by customers.

To qualify for financial assistance, participants must agree to demonstrate electricity savings by measuring their consumption before and after the plant retrofit project.

Since the financial assistance budget is limited, available funds will be allocated to eligible projects on a first-come, first-served basis.

Eligibility

The Program is open to any corporation, partnership or organization that has at least one service contract at large-power rates and operates one or more industrial sites.



An eligible project must lead to a considerable reduction in overall electricity consumption per year for 10 years.

Project proposals must cover

- replacing one or more production lines with other more efficient lines;
- upgrading one or more plants, including processes and auxiliary systems;
- generating electricity for self-use from plant waste or residue without increasing greenhouse gas emissions;
- installing a cogeneration facility for self-use that does not increase greenhouse gas emissions and meets the minimum degree of efficiency defined and prescribed by the applicable laws, regulations and standards in Québec.

To be eligible, it must be demonstrated that the project is financially and commercially viable.

The following projects are ineligible:

- Building new plants
- Replacing electricity with fossil fuels
- Generating or cogenerating electricity for sale
- Adding more production lines
- Generating electricity from waste or residue from sources other than the plant
- Generation or cogeneration of electricity that results in increased greenhouse gas emissions
- Projects that entail layoffs or plant closures

CUSTOMER'S UNDERTAKING

If you take part in the Program, you must agree

- to maintain a minimum baseline production, as specified in the agreement;
- not to close any plants or lay off any employees as a result of the project.

FINANCIAL ASSISTANCE

The goal of the Program's financial assistance is to reduce the project payback period to three years, but this assistance is limited to the lowest of the following amounts:

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| 1 | Amount needed to reduce the payback period to three years |
| 2 | 50% of eligible project investment costs |
| 3 | 10¢ per kilowatthour of project electricity savings in the first full year of operation |
| 4 | \$30 million per project |

You may receive financial assistance for several retrofit projects, up to a maximum of \$30 million, on the basis of the following criteria:

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|---|---|
| 1 | One or more service contracts for the same site – \$30 million per site |
| 2 | Several sites under the same service contract – \$30 million per service contract |

You must assume at least 50% of the eligible project costs under the Program, taking into account any financial assistance from other sources.

PAYMENT OF FINANCIAL ASSISTANCE

Grants are paid in three installments:

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|---|---|
| 1 | 30% once the agreement has been signed |
| 2 | Approximately 60% of the total financial assistance allocated, at the end of the first year of measurements during regular production |
| 3 | Approximately 10% after the final measurement report has been submitted |

The amount of financial assistance stated in the agreement is the maximum that may be paid out. However, if the project's objectives are not met or if costs go over budget, the amount may be reduced in accordance with the Program criteria.



Submitting a proposal

To submit a proposal for a plant retrofit project, arrange a preliminary meeting with your Hydro-Québec commercial officer.

You can download the *Plant Retrofit Program – Major Customers – Participant’s Guide* and other literature from www.hydroquebec.com/majorcustomers/ee.

Under our corporate directive on the *Charter of the French Language*, **you must fill out the French version of the form**; however, a courtesy translation for information purposes is also available on our Web site.

For more information on the Program, please contact your commercial officer.

This summary of the *Plant Retrofit Program – Major Customers – Participant’s Guide* is a translation, provided for information purposes only. In all cases, the original French version of the full Program description shall prevail.



Energy Conservation Programs for Major Industrial Customers

With a view to achieving the energy savings target set out in its Energy Efficiency Plan, Hydro-Québec has developed three programs for major industrial customers:

Plant Retrofit Program – Major Customers

- Financial assistance is offered for extensive retrofit projects that considerably reduce the overall electricity consumption of one or more plants operated by the same customer.

Industrial Initiatives Program – Major Customers

- Financial assistance is offered for projects designed to reduce specific electricity consumption.

Industrial Analysis and Demonstration Program – Major Customers (with two components)

- **Energy analysis**
Financial assistance is offered for an analysis covering all forms of energy used at an industrial site or for a continuous measurement project.
- **Demonstration of a new technology**
Financial assistance is offered for the demonstration of electricity savings realized through first-time implementation of a new, high-efficiency technology in an industry in Québec.

How to order Program literature and forms

- Contact your commercial officer
- E-mail us at programmes.ge@hydro.qc.ca
- Visit www.hydroquebec.com/majorcustomers/ee
- Call 1 866 373-6306

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www.hydroquebec.com/majorcustomers/ee

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Produced by *Direction principale – Communications*
for *Direction – Grandes entreprises*

2008G871A,05M

September 2008

Ce document est également publié en français.

