



MAKES BUSINESS SENSE

Industrial Initiatives Program

MAJOR CUSTOMERS



Industrial Initiatives Program – Major Customers

The Industrial Initiatives Program – Major Customers offers financial assistance to large-power customers for projects designed to reduce specific electricity consumption.

The Program does not prescribe any specific electricity management measures. Rather, it supports the implementation of energy 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 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.



ELIGIBLE PROJECTS

Eligible initiatives must involve

- replacing existing equipment with more energy-efficient electric models;
- installing new equipment with the aim of reducing the specific electricity consumption of existing processes;
- installing solar walls;
- installing geothermal systems;
- replacing equipment for maintenance purposes with ultra-efficient equipment.

The following projects are not eligible:

- Projects with a payback period of more than 10 years or less than 1 year, when costs are recouped solely through energy savings
- Adding production lines
- Building or expanding plants
- Replacing an energy source with fossil fuels
- Generating or cogenerating electricity

Eligible costs

- Equipment, including measuring instruments
- Installation and start-up
- “Before” and “after” measurements
- Engineering
- Motors – Purchase cost differential between a premium efficiency motor and a motor that complies with the *Energy Efficiency Regulations*, November 1997
- Purchase cost differential between ultra-efficient equipment and standard equipment used in the industry
- Additional installation, start-up and engineering costs for ultra-efficient equipment in comparison with installation and engineering costs for standard equipment used in the industry

Purchase orders issued and engineering costs incurred prior to Hydro-Québec’s receipt of the proposal are not eligible.

FINANCIAL ASSISTANCE

The goal of the Program’s financial assistance is to reduce the project payback period to one year, but this assistance is limited to the lowest of the following amounts:

1	Amount needed to reduce the payback period to one year (based on electricity savings)
2	75% of project costs
3	15¢ per kilowatthour saved in the first full year of operation
4	\$350,000 per project

In the case of strictly administrative buildings, the goal of the financial assistance is to reduce the payback period based on electricity savings to three years.

You must assume at least 25% of the total costs of the initiative, and project must be completed within 18 months.

You may receive financial assistance for several projects, up to a maximum of \$8 million, on the basis of the following criteria:

1	One or more service contracts for the same site – \$8 million per site
2	Several sites under the same service contract – \$8 million per contract

PAYMENT OF FINANCIAL ASSISTANCE

Grants are paid in three installments:

1	25% at the start of the project
2	50% following equipment start-up
3	Balance on completion of the project

The amount of financial assistance stated in the agreement is the maximum that will be paid out. However, if the project 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 an initiative project, fill in a form in French (*Proposition pour un projet d'initiatives*) and provide the supporting documents required.

You can download the form 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 Hydro-Québec commercial officer.

This summary of the *Industrial Initiatives 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:

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.

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 owned by the same customer.

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*

2008G852A,1M

September 2008

Ce document est également publié en français.

