Commercial and Industrial Custom Incentive Programs

Update for the EMT Board 3/26/2025

Agenda

- Custom Program refresher
- Recently completed projects
- Projects underway
- Budget challenges and FY26 plans

The C&I Custom Program incentivizes tailored energy efficiency and distributed generation projects that require site-specific engineering analyses and/or projects with energy conservation measures that are not otherwise covered by the C&I Prescriptive Program incentives.

C&I Custom – Ongoing Programs

Nonprescriptive efficiency projects:

- Process specific equipment or upgrades
- Non-prescriptive beneficial electrification projects
- Compressed air systems
- Heat recovery systems
- High efficiency HVAC systems and controls

Combined heat and power systems:

- Reciprocating engines
- Steam turbines

Summer peak load reduction >20kW:

- Batteries
- Thermal storage

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C&I Custom – Temporary Programs

Now fully committed

- Heat pump retrofits of State owned and leased buildings
- Existing buildings using oil or propane only

Nearly fully committed

- Manufacturing facilities (NAICS codes 31-33)
- Fuel saving and beneficial electrification projects
- Increased incentive rates and cost shares

C&I Custom – Technical Support

Free scoping audits for facilities with large Custom potential.

- Utility bill review and site visit
- High level analysis of potential measures
- Report plus direct support on measure development

Supports development of Custom projects.

- Development of system designs and construction documents
- Investment grade energy and cost analysis
- Interconnection applications and studies

Custom and Prescriptive projects, pre-k through 12 schools only.

- Development of system designs and construction documents
- Legal services for solar PV PPA agreements

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Custom Programs Eligibility

- **Must be cost effective based on site specific analysis**
  All projects must have a benefit-to-cost (B:C) ratio of **1.0 or higher**

$$\text{B:C ratio} = \frac{\text{Total benefit}}{\text{Total cost}}$$

- ***Benefit*** = net present value of the avoided cost of energy saved by implementing the project
- ***Cost*** = net present value of all of the project costs including labor, material, engineering, etc.
- ***O&M*** = Documentable operation and maintenance benefits or costs included (for example combined heat and power).

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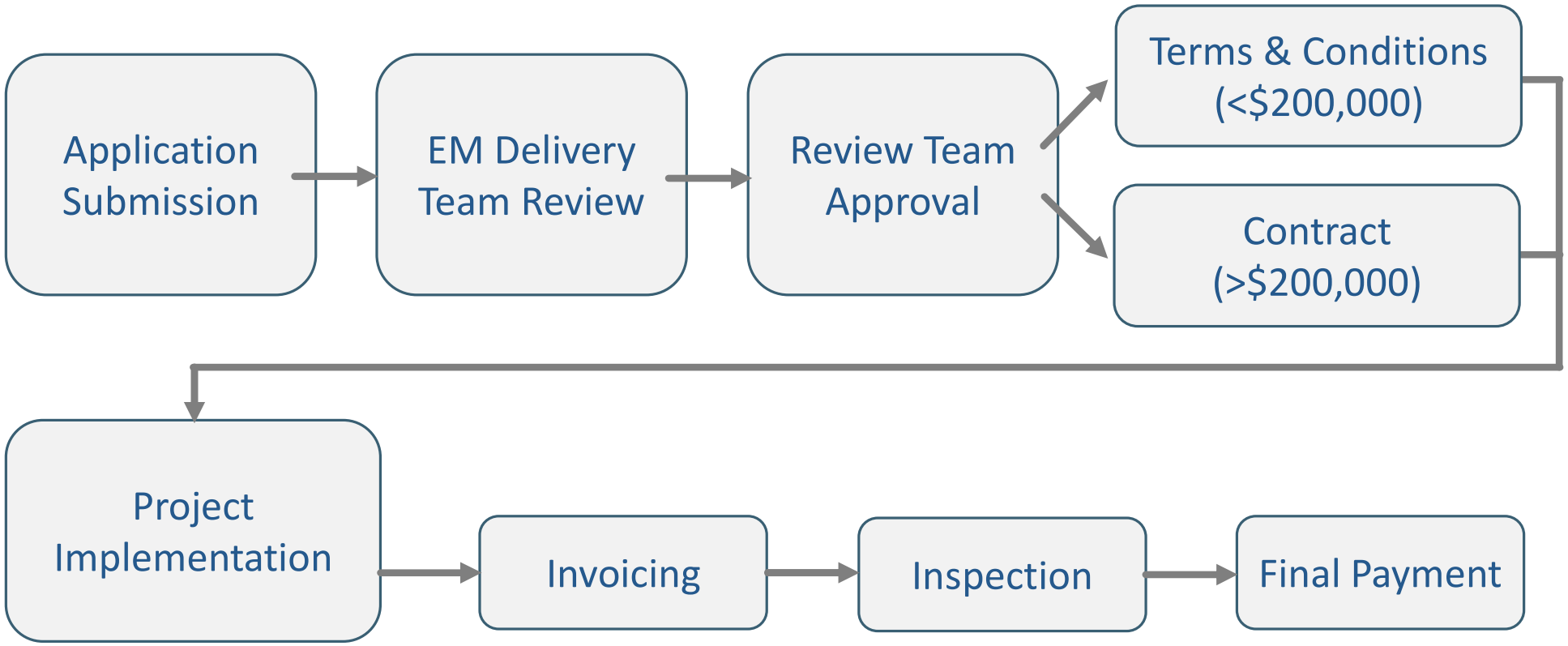
Custom Program Process



Recently Completed Projects

Standard Biocarbon – Heat Recovery Dryer

Standard Biocarbon recently completed construction of a new state of the art biochar production facility in Enfield. The Custom Program contributed to a heat recovery dryer over a baseline gas driven biomass dryer.

- Funding = ARPA/MJRP
- Scenario = new construction
- Additional cost = $489,000
- Incentive = $367,000
- Annual energy savings = 3,688 MMBtus

Backyard Farms – Greenhouse Thermal Curtains

Backyard Farms grows tomatoes at their 41-acre facility in Madison. The facility uses large amounts of natural gas to maintain minimum space temperatures during the winter. The Custom Program was able to offset the additional costs of a thermal curtain with a higher R value than lower cost baseline curtains.

- Funding = RGGI
- Scenario = End of useful life
- Additional cost = $1,400,000
- Incentive = $620,000
- Annual energy savings = 82,000 MMBtus

Peaks Renewables – Anaerobic Digester Combined Heat and Power (CHP)

Peaks Renewables is a renewable energy development company that recently completed an anaerobic digester facility producing pipeline quality natural gas from cow manure on the Flood Brother's farm in Clinton. Custom supported a 280-kW combined heat and power unit onsite that serves digester thermal and electric loads.

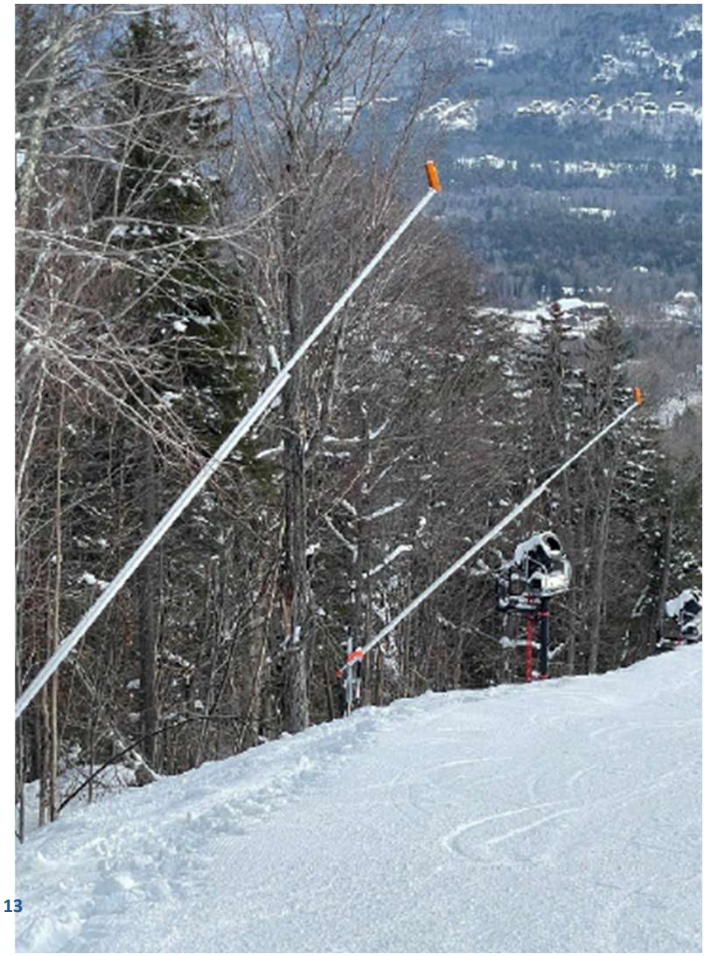
- Funding = Electric
- Scenario = New construction
- As built CHP cost = $824,000
- Incentive = $337,500
- Annual energy savings = 2,000,000 kWh

Merrill Blueberry Farms – Refrigeration Upgrades

Family-owned Merrill Blueberry Farms has been harvesting and processing wild blueberries for almost 100 years. One of the walk-in freezer refrigeration systems had reached end of life, and Custom was able to offset the additional cost of premium efficiency equipment including floating head pressure controls.

- Funding = Electric
- Scenario = End of useful life
- Additional cost = $128,000
- Incentive = $55,282
- Annual energy savings = 184,000 kWh

Sunday River – High Efficiency Snow Making



With support from the Custom Program, Sunday River is in the process of fully transitioning away from older, inefficient snow guns. This is one phase of a multi-year endeavor.

- Funding = RGGI (ST&T)
- Scenario = Retrofit
- Replacement cost = $2,600,000
- Incentive = $840,000
- Annual energy savings = 3,000,000 kWh

Projects Underway

Heat Recovery - Sappi, McCains, IFF, Flowers Foods,

Process – Sappi, Waste Management, Diodes, Pineland Farms

HVAC Equipment – Texas Instruments, BIW

Waste Management – Biosolid Heat Pump Dryer (Underway)

Budget Challenges and Potential Solutions

Challenges

- Slow uptake of electric procurement budget (forecasting 35% expended or committed by end of year, T&ST not eligible)
- Major projects currently underway with many of Maine's largest facilities (multiple customers focusing on completing ongoing projects, slowed interest in developing *new* projects)

Plans

- Launch compressed air leak detection offering with requirement for permanent air flow metering
- Targeted outreach to large customers not currently implementing projects
- Promote technical assistance offerings to support more complicated projects
- Spur project investment with enhanced incentives