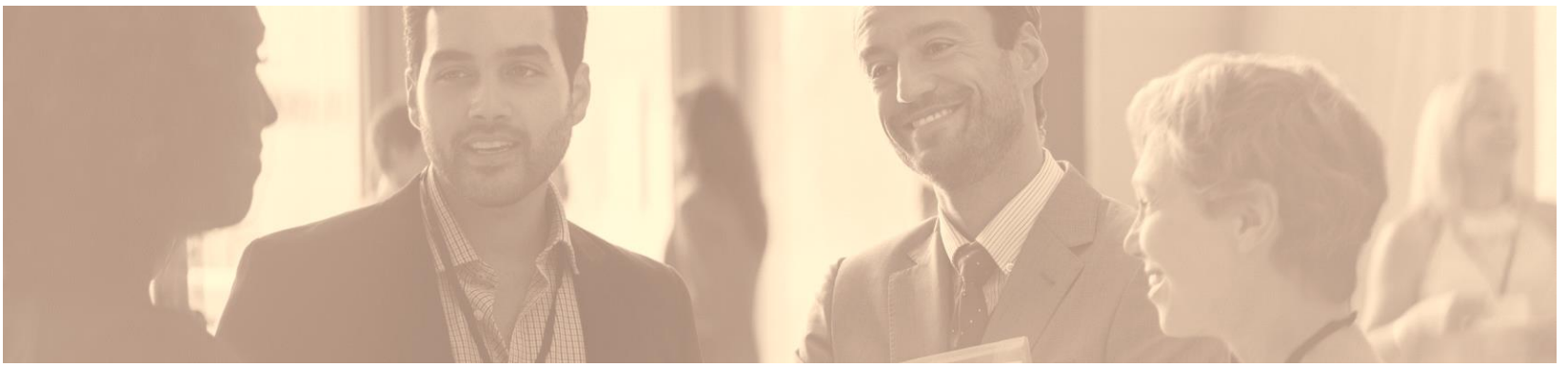


Support for Initiatives Program

Feasibility Study and Custom-Made Project Components/
771-8321 / GAZIFERE.COM

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Gazifère provides financial assistance to help its customers reduce their natural gas consumption and greenhouse gas (GHG) emissions through energy efficiency programs. Would you like to receive financial assistance to conduct feasibility studies or introduce energy efficiency measures? This guide sets out the steps you must follow to request financial assistance, the eligibility criteria and the forms you must fill out. You are encouraged to submit your documents electronically.

PURPOSE:

Feasibility Study component

The grant for the Feasibility Study component aims to encourage the preparation of feasibility studies in order to define the measures that will help truly improve the building's energy efficiency. This is an essential tool in planning and organizing any construction or renovation work. To back you in your initiative, Gazifère is offering \$2,500 by way of financial assistance for the preparation of a feasibility study or an energy simulation using a simulation tool such as EE4, Canquest or DOE2.

Custom-made Project

The Custom-made Project component is designed to assist with introducing measures related to the use of natural gas in production processes and energy efficiency equipment that are not covered under current Gazifère programs. This component also aims to assist with the introduction of measures related to the building envelope (when consumption exceeds 50,000 m³) and the building's natural gas fueled mechanisms. Gazifère offers \$1 per cubic metre of natural gas saved. The financial assistance provided by Gazifère cannot exceed 40% of the incremental cost of the measure or \$75,000.*

ELIGIBLE CUSTOMERS

This program is for Gazifère's commercial customers (Rate 1) whose main source of heat is natural gas.

In the case of a new building, Gazifère only provides the financial assistance after the meter has been opened and the heating equipment has been inspected.



Feasibility Study component

ELIGIBILITY CRITERIA:

To obtain financial assistance under the Feasibility Study component, the following eligibility criteria must be met.

In essence, the study must:

- be prepared or verified by a professional engineer;
- propose measures aimed at saving natural gas, and not be limited to recommendations aimed at modernizing natural gas appliances (**existing building**);
- exclude all measures aimed at replacing natural gas by any other energy source (**existing building**);
- increase a new building's energy efficiency by at least 25% under the Model National Energy Code for Buildings standards (**new building**); and
- comply with the criteria in the technical specifications.

TECHNICAL SPECIFICATIONS

The following technical specification elements are designed to ensure the conduct of exhaustive studies. In order to obtain financial assistance from Gazifère, the study must:

- provide a description of the building (year built, surface area and use);
- provide a description of the building's energy systems;
- provide a summary of consumption volumes and energy costs¹;
- report any contractual agreements providing for rate obligations, and indicate their impact on the customer;
- list the recommended measures as follows:
 - a) description of the improvement,
 - b) required investments (work, engineering, grants or tax measures),
 - c) projected annual savings (energy, maintenance or incremental costs),
 - d) projected profitability, including over the payback period (PP),
 - e) useful life of improvements and net savings over the useful life,
 - f) environmental impact (including reduced greenhouse gas emissions),
 - g) other non-energy benefits, and
 - h) implementation plan for the improvements and timeline; and
- combine recommended measures into the following four categories:
 - a) load reduction (behavioural measures),
 - b) optimization measures (repairs, maintenance, renovation, other),
 - c) modernization measures (equipment replacement)², and
 - d) measures focused on the building envelope.

¹ Afin de faciliter l'analyse de vos données, nous vous demandons d'identifier le prix de la molécule de gaz naturel ayant servi pour effectuer les calculs de rentabilité. Cette information est disponible auprès de Gazifère et servira à vérifier vos hypothèses de calcul. Au besoin, veuillez également indiquer le prix des autres sources d'énergie utilisées.

² Les appareils admissibles à une aide financière dans le cadre d'un programme distinct de Gazifère devraient être identifiés séparément afin d'éviter le double comptage.



STEPS TO FOLLOW TO OBTAIN FINANCIAL ASSISTANCE

STEP 1: CONSULT THE PARTICIPANT'S GUIDE

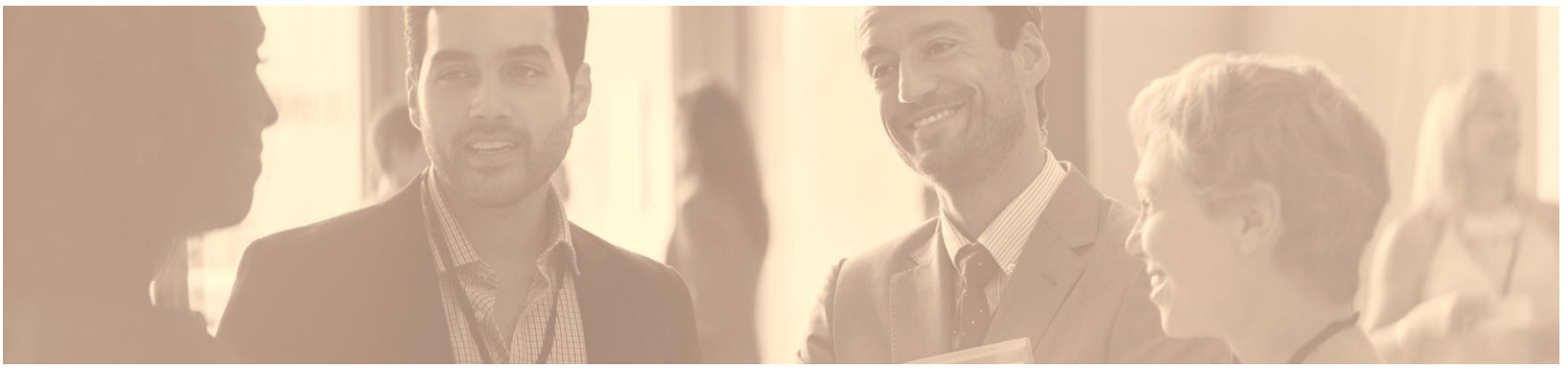
STEP 2: SUBMIT YOUR PRE-ADMISSION APPLICATION

STEP 3: WAIT FOR GAZIFÈRE'S APPROVAL

STEP 4: ORGANIZE THE FEASIBILITY STUDY OR ENERGY SIMULATION

STEP 5: SUBMIT YOUR REQUEST FOR PARTICIPATION

STEP 6: WAIT FOR GAZIFÈRE'S DECISION ON FINANCIAL ASSISTANCE



Custom-made Project component

ELIGIBILITY CRITERIA

To obtain financial assistance from Gazifère under the Custom-made Project component, the following eligibility criteria must be met:

- A. The energy saving measures must focus on the consumption of natural gas.
- B. Any intervention involving a tested technology leading to natural gas savings is eligible for the program except:
 - measures directly related to operations or consumption behaviours that do not require an investment;
 - measures whose payback period (PP) is less than one year;³
 - measures for which Gazifère is providing financial assistance under a high energy efficiency equipment program; or
 - maintenance measures (replacement resulting from a breakdown, repairs, etc.).
- C. In the case of an existing building, the measures introduced must be recommended as part of a feasibility study conducted by a professional engineer. In the case of a new building, the measures must be recommended further to an energy simulation.

In both cases, the natural gas savings must be justified through detailed calculations that compare current or standard operating conditions (baseline scenario) and expected conditions (efficiency scenario). The calculations must be based on recognized engineering methods. In the case of equipment or system replacement, or a new construction or installation, the baseline scenario must correspond to the equipment or system that would have been introduced according to standard market energy practices.

- D. The incremental cost of natural gas savings measures introduced represents the difference in the costs of implementation (acquisition of equipment, installation and engineering work before taxes) between the baseline scenario and the efficiency scenario. When the baseline scenario corresponds to the current situation, the incremental cost will correspond to the cost of implementation of the efficiency scenario.
- E. The natural gas savings measures PP represents the time required for the value of the annual natural gas savings to equal the incremental cost of the measure.

³ Gazifère calcule la PRI de chaque mesure en incluant dans l'équation l'aide financière octroyée dans le cadre de ce programme. La PRI doit être au moins égale à 1 an. Dans le cas contraire, l'aide financière est réduite pour ramener la PRI à 1 an.



Value of annual savings (\$) =
Natural gas savings (m³) × unit cost of natural gas⁴ (\$/m³)

- F.** Equipment eligible for financial assistance under a separate Gazifère program must be indicated to avoid double dipping. Also, the sum total of all financial assistance provided may not exceed 75% of the total eligible costs.
- G.** Renewable energy measures must meet a post-intervention natural gas consumption threshold equivalent to at least 30% of the volume of natural gas that would have been consumed in the absence of those renewable energies.

⁴ Coûts unitaires de gaz naturel avant taxes établis selon la moyenne des douze mois précédant le mois courant de la demande de participation (doit inclure : distribution, transport, fourniture de gaz naturel, ajustement du coût et achat de droits d'émission de carbone). Cette information peut être demandée à Gazifère au besoin.



STEPS TO FOLLOW TO OBTAIN FINANCIAL ASSISTANCE

Custom-made Project component

STEP 1: CONSULT THE PARTICIPANT'S GUIDE

STEP 2: SUBMIT YOUR PRE-ADMISSION APPLICATION ALONG WITH A SUMMARY OF THE MEASURES TO BE INTRODUCED

STEP 3: WAIT FOR GAZIFÈRE'S APPROVAL

STEP 4: ORGANIZE THE INTRODUCTION OF ENERGY EFFICIENCY MEASURES

STEP 5: SUBMIT YOUR REQUEST FOR PARTICIPATION

STEP 6: WAIT FOR GAZIFÈRE'S DECISION ON FINANCIAL ASSISTANCE

For additional information about this program, write to Programmes.Efficacite.Energetique@gazifere.com or call 819-771-8321.

* Program conditions may be modified without prior notice. Gazifère reserves the right to limit the number of projects approved under the program subject to available funds for this program.

1. In order to facilitate our analysis of your information, kindly identify the cost of a molecule of natural gas that was used to do the feasibility calculations. This information is available from Gazifère and will be used to check your calculation assumptions. If necessary, please provide the cost of any other energy sources used.
2. Equipment eligible for financial assistance under a separate Gazifère program must be identified to avoid double-dipping.
3. In calculating the PP of a measure, Gazifère includes the financial assistance provided under this program. The PP must cover at least one year. If it does not, the financial assistance will be reduced accordingly.
4. The unit cost of natural gas before taxes is determined over the twelve months preceding the month the pre-approval application is submitted (must include distribution, transportation, provision of natural gas, cost adjustment and purchase of carbon credits). This information can be requested from Gazifère if necessary.