

Eligible project cost guidelines for Washington

The Wattsmart Business team reviews each project for the accuracy of reported information. It is important that only eligible project costs are reported with each submission to ensure incentive applications are not delayed or declined.

Certain costs are eligible for inclusion in total project cost for purposes of incentive calculation, but other costs are not eligible. Eligible project costs are defined by project type:

1. New Construction/Major Renovation (NCRM): Total installed cost of energy efficiency equipment or system(s) minus cost of the code compliant/common practice equipment or system(s).
2. Retrofit: Total installed cost of energy efficiency equipment or modification.

Lighting Instant Incentives: Only lamp cost is eligible for instant incentives. Retrofit incentives are capped at 70 percent of energy efficiency project costs and cannot reduce project simple payback below one year. LED Instant Incentives for replacement lamps to cover no more than 70 percent of purchase transaction level costs.

For lighting projects with payback over eight years please:

1. Confirm project costs are all eligible (refer to tables below)
2. Contact your outreach coordinator. Your coordinator may work with you to allocate some costs to other benefits and reduce the eligible project cost.
3. If still over 8 years, the project must pass a cost-effectiveness analysis to be eligible for incentives.

Effective November 1, 2017, sales tax is not an eligible cost for projects in Washington.

The most common types of costs are listed below. All costs are subject to Pacific Power Wattsmart Business team review. Please familiarize yourself and contact your outreach coordinator if you have any questions.

Washington eligible costs

- Materials supplied by contactor or third party, including shipping and sales tax¹⁸.
- Materials provided in-house by customer.
- Installation labor by contractor or third party, including sales tax and permitting fees.
- Installation labor by in-house personnel. Must provide list of hours worked with appropriate loaded labor rates (e.g. on PacifiCorp's In-house Labor form or other documentation provided by customer).
- Design by design firm, engineering firm, or contractor.
- Design by in-house personnel is eligible if stamped drawings are produced.
- Disposal and recycling by contractor or third party is eligible if properly done according to applicable environmental regulations. If an invoice specifically lists "disposal", it is assumed that contractor is in compliance with environmental regulations.
- Disposal and recycling by in-house personnel is eligible if properly done according to applicable environmental regulations. Customer must submit documentation showing compliance with environmental regulations.
- General conditions improvements for retrofit projects may be eligible costs. Discuss details with the Project Manager.

Washington costs not eligible

- Owners' overhead.
- Project development or project management costs.
- Financing costs.
- Manufacturer discounts or rebates. Eligible costs are determined after discount or rebate is subtracted, so that cost reflects the actual expense incurred by customer.
- Maintenance contracts.
- General conditions improvements for new construction projects. These are not incremental and thus are not part of the energy efficiency measures.
- Application fees or charges associated with other incentive programs, whether publicly funded, ratepayer funded, or privately funded.
- Portions of project cost paid for by publicly funded grants or incentives (e.g. USDA grants or ARRA funding). Eligible project cost is generally determined after such amounts have been subtracted. Discuss details with the Project Manager.