

A background image showing a man and a woman in a kitchen. The man, who is Black, is wearing a light blue button-down shirt and dark trousers. He is holding a clipboard and a pen, looking at the woman. The woman, who is white, is wearing a light green top and a white apron. She is looking up at the man. They are standing in a modern kitchen with a tiled backsplash, a large TV on the wall, and various kitchen items on the counter.

DECEMBER 8, 2023

Energy Management and Efficient Electrification Series
for Ontario Municipalities

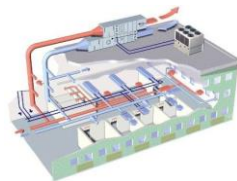
Developing a Retrofit Strategy for Your Buildings – Your Roadmap to Big Savings

**Presented by
Stephen Dixon, Meghan Murray, Christian Tham**

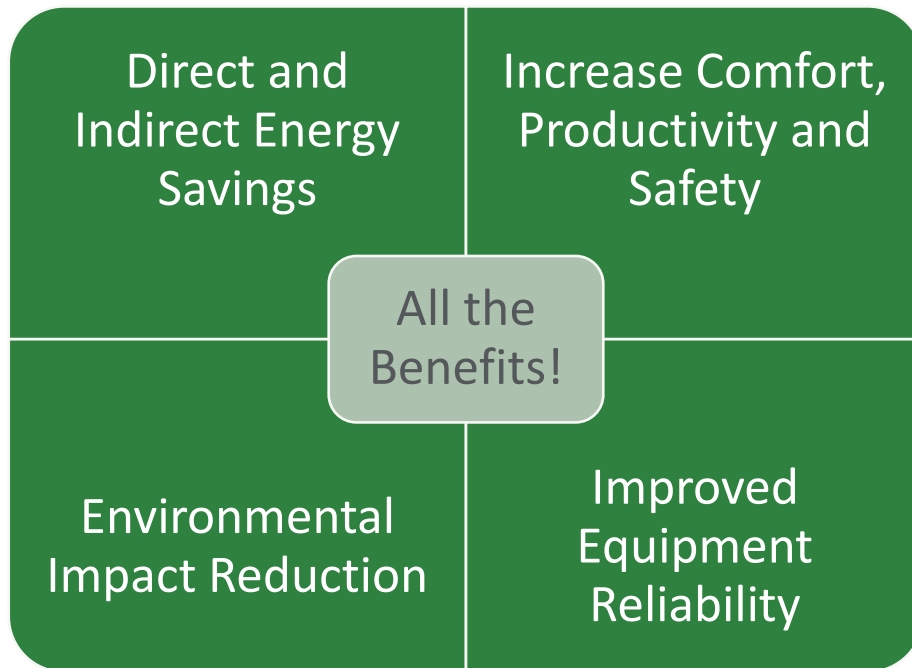
Our objectives

This workshop is designed to provide:

- A road map to finding and implementing savings with retrofits
- Techniques for making and pitching the business case
- An overview of how Save on Energy (SoE) support retrofits
- Insight into how Local Authority Services (LAS), as a not-for-profit, support municipal retrofits.

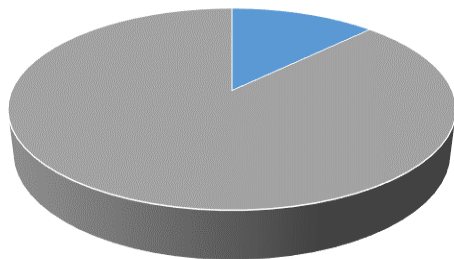


Retrofit Projects Can Deliver Many Benefits



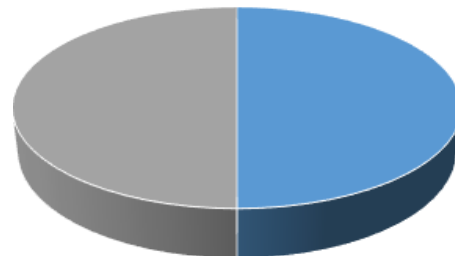
Energy, Cost and Carbon (for a typical Ontario Building)

Utility Cost



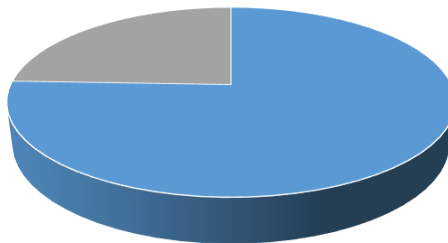
■ Natural Gas ■ Electricity

Energy Consumption



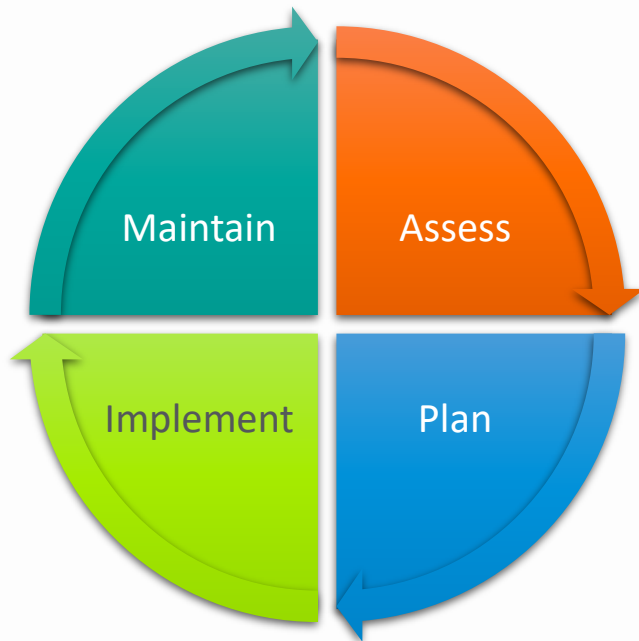
■ Natural Gas ■ Electricity

Carbon Emissions



■ Natural Gas ■ Electricity

The Approach



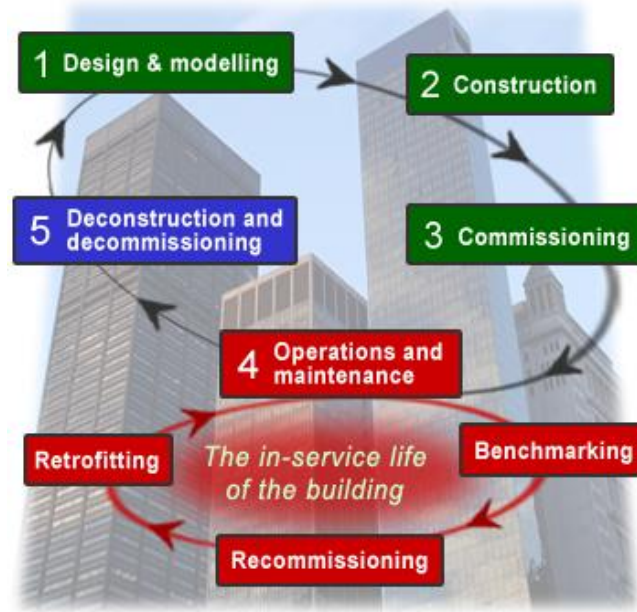
Defining the Categories of Retrofits

- **Minor retrofits** – one-off measures
 - Adding insulation
 - Upgrading lighting systems
- **Major retrofits** – holistic approach
 - Replacing window glazing and doors
 - Updating inefficient heating and cooling systems
 - Can become part of a deep retrofit
- **Deep retrofits** – extensive
 - Aim at large overall reductions across the board
 - Multiple systems replacement
 - Accounts for synergies between systems
 - Renewable energy systems
 - Air- or ground-source heat pumps



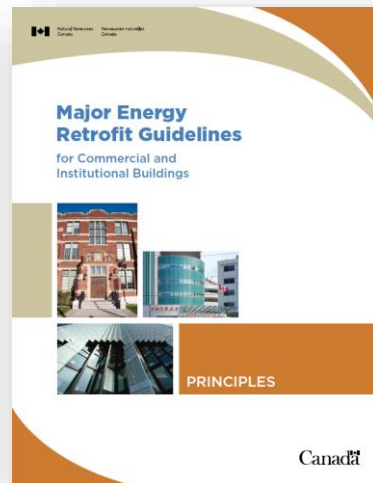
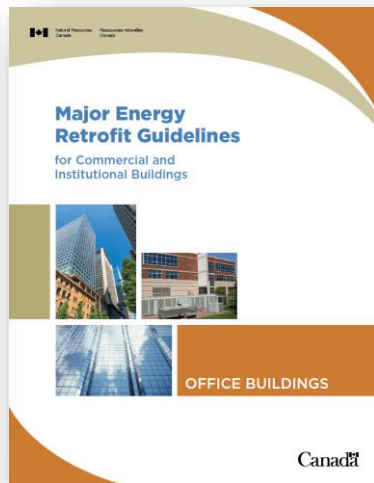
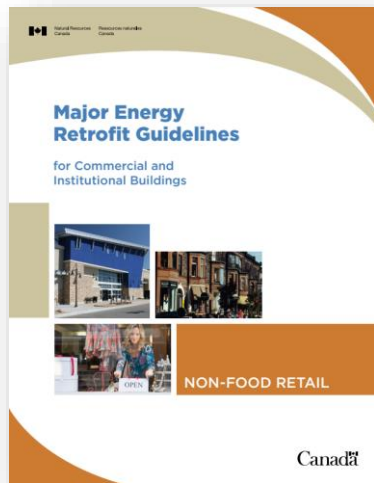
Poll:
How many participants are planning a retrofit?

Retrofitting Within the Building Life Cycle



Source: The Building Life Cycle, <http://www.nrcan.gc.ca/energy/efficiency/buildings/eeb/key/cycle/3973>

We'll Be Using This Road Map



Additional guides available:

- K-12 Schools
- Hospitals
- Hotels and Motels
- Supermarkets
- Food Stores

<https://www.nrcan.gc.ca/energy-efficiency/buildings/existing-buildings/retrofitting/20707>

Retrofit Strategy

1. Assess

- Establish commitment
- Benchmarking with Portfolio Manager
- Identifying opportunities

2. Plan

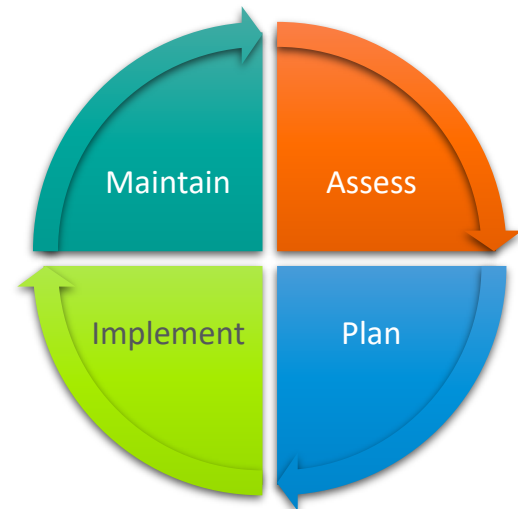
- Staging project measures
- Determining timing
- Creating the business case

3. Implement

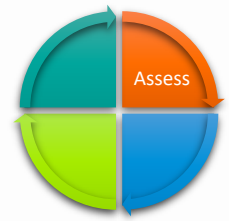
- Managing your project
- Selecting a contractor
- Commissioning and project hand-off

4. Maintain

- Training staff
- Ongoing building optimization
- Monitoring and tracking



<https://www.nrcan.gc.ca/energy-efficiency/buildings/existing-buildings/retrofitting/20707>



1. Assess

Establishing Commitment, Benchmarking and Finding the Opportunities

Establishing Commitment

- What is it?
 - Full and visible support of senior management
 - May be in the form of a vision statement or energy policy
- Why do you need it?
 - Authority
 - Profile
 - Project funding
- When do you need it?
 - Get commitment to initiate project
 - Update annually to maintain momentum

Increased
Competitiveness

Quantifiable
Cost Reductions

Environmental
Sustainability

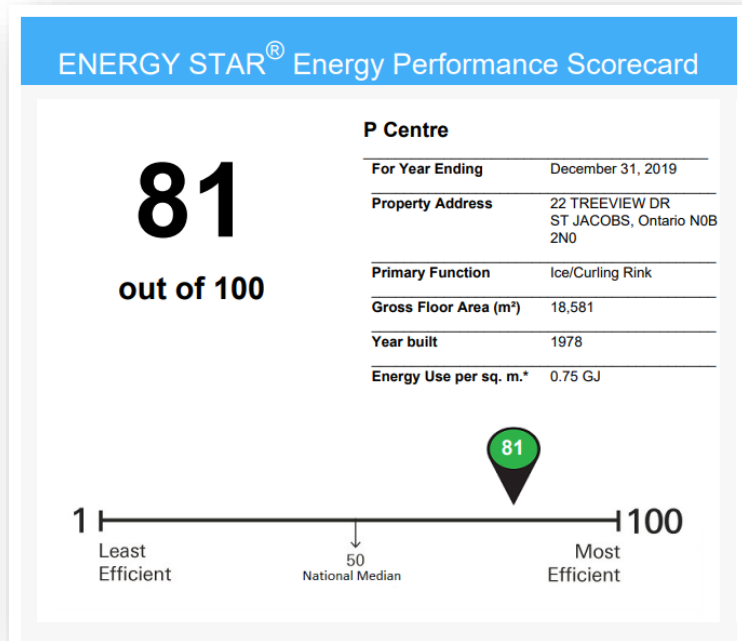
Engaged
Workforce

Corporate Profile

Asset Renewal

ESG – Environmental, Social & Governance

Benchmarking is Foundational

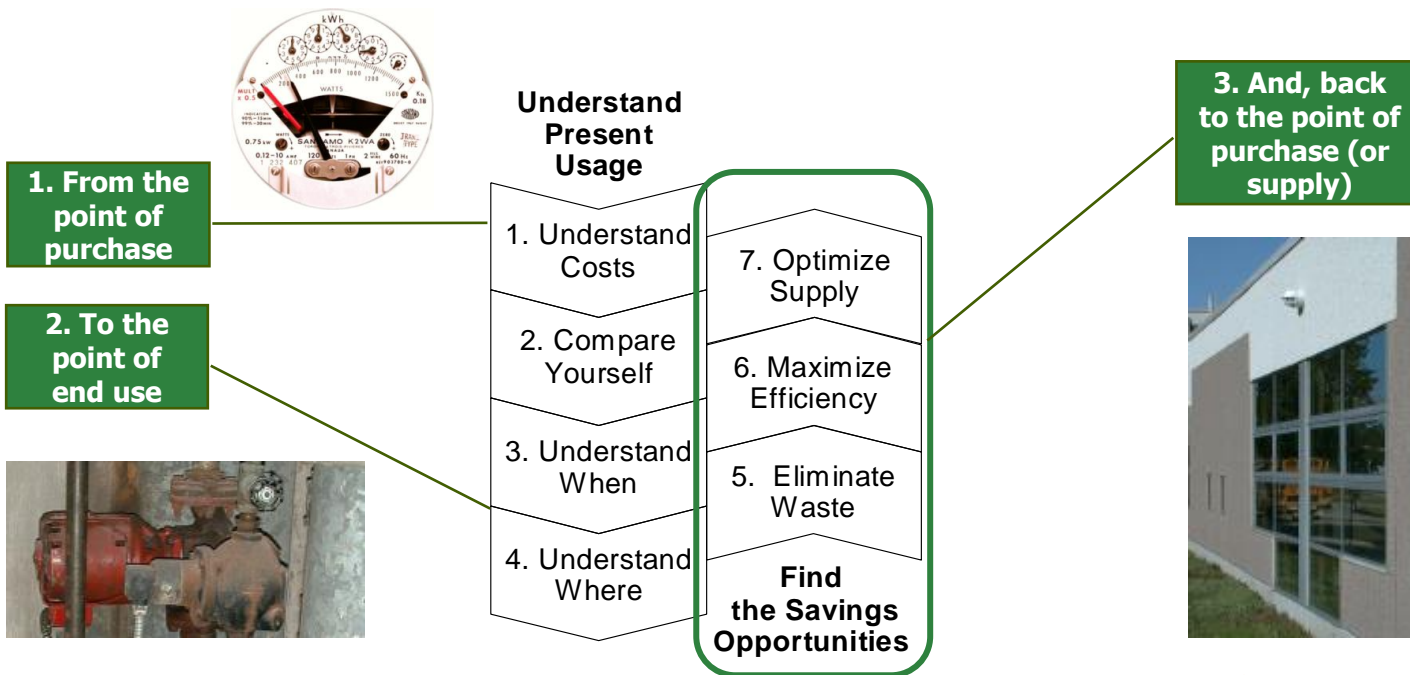


By July 2023, all buildings over 50,000 sq. ft. will need to report under Ontario Energy Water Reporting and Benchmarking (EWRB) Regulations.

<https://www.ontario.ca/page/report-energy-water-use-large-buildings>

Energy Assessment Process – Seven Steps

Selecting and Prioritizing Measures – Three Key Steps



Identifying Opportunities with An Energy Audit

...What Makes a Good Audit?

1. Objectivity of auditor
2. Lots of input from customer and operators
3. Correct hours and correct price in savings estimates
4. Analysis of historical data
5. Installed costs – not just equipment cost
6. Accounting for interaction between measures.
7. Good financials – SIR, NPV & IRR – not just simple payback

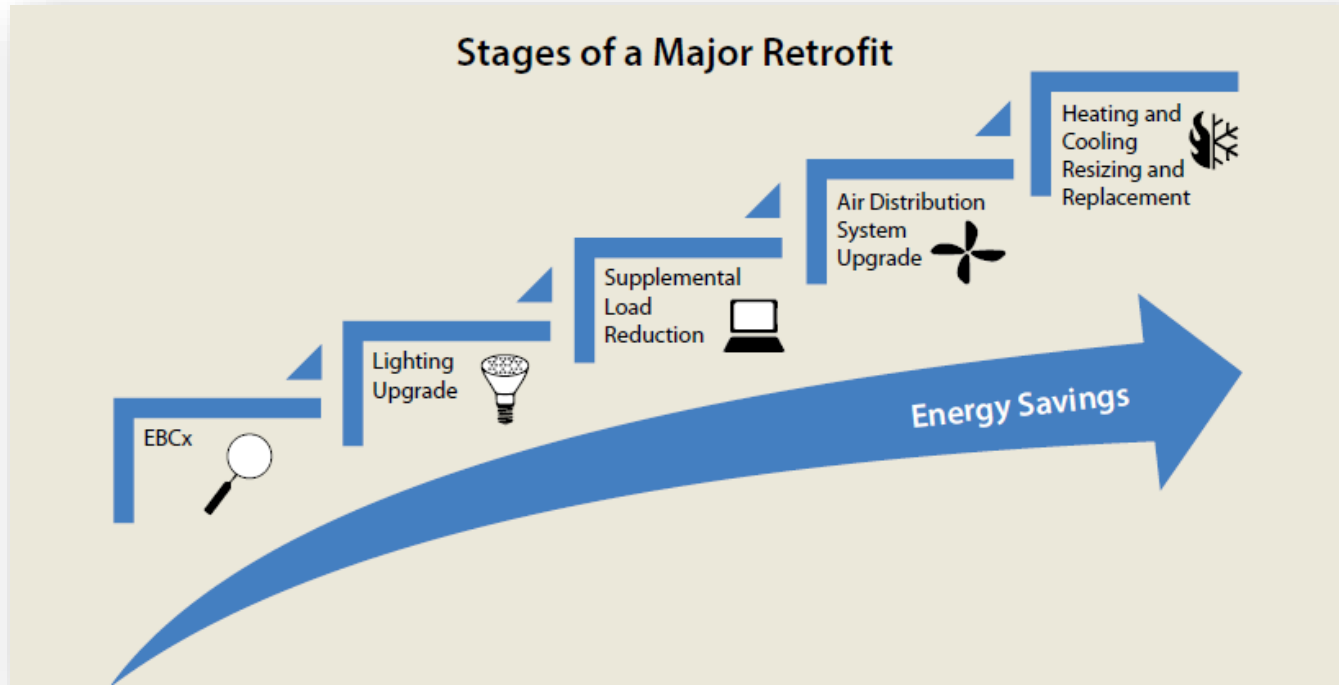




2. Plan

Staging, Timing, Building the Business Case and Financing

Staging Retrofits Will Maximize Benefits



<https://www.nrcan.gc.ca/energy-efficiency/buildings/existing-buildings/retrofitting/20707>

Existing Building Commissioning (EBCx)

- EBCx is not actually a measure, it is a process!
 - Optimize what is already in-place
 - Establish the current facility requirements
 - Eliminate waste, increase occupant comfort, equipment reliability
- Within a major retrofit strategy
 - EBCx should not be done on systems that are planned to be changed within the next 3-5 years
 - It may be done to establish proper baseline operating conditions and on systems not targeted for major retrofit
 - Can be done alongside of major retrofit, often the EBCx provider becomes a Cx provider for the new systems.



Lighting Upgrades

- Changing from T8 to LED, lamp for lamp, is not always optimal and is often not a major retrofit.
- Redesign of the lighting system to optimize light level and take full advantage of LED fixture efficiency, not just lamp efficiency, falls into the major retrofit category.
- Requires more planning – what is the future use of my building?
- Benefit can be as much as 50% greater than a simple drop-in lamp retrofit.
- Reduces cooling loads, can positively impact other major retrofit to HVAC systems



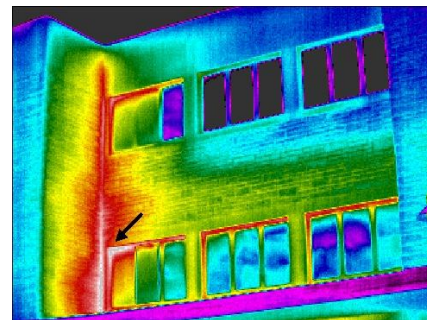
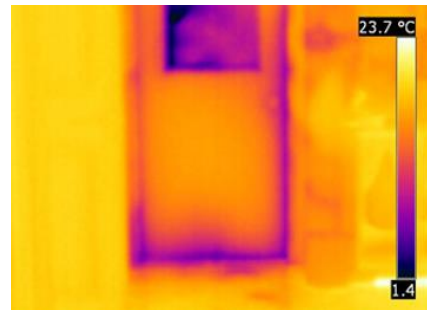
Plug/IT Load Reduction

- Often the single largest end use in an office building, twice as much as lighting in many cases.
- Difficult to address as it involves mostly tenants in many buildings
 - Must involve tenants from the onset, including IT
- Can negatively, and significantly, impact HVAC if not properly planned
- Main HVAC should never serve to cool IT spaces



Building Envelope

- Lower Cost
 - Repair/maintain weather stripping to reduce infiltration of outside air
 - Caulking/sealing windows and air gaps to reduce infiltration of outside air
- Higher Cost
 - Replace windows with 2-, 3- or 4-pane systems with low-e and argon filled
 - Insulation upgrades to reduce heat transfer through the walls, roof and foundation



HVAC Replacement and Upgrade

- Rooftop units (RTUs) are often “Install and Forget” HVAC Systems
 - Can lead to significant inefficiencies
- Major retrofit of HVAC including RTUs should focus on efficiency, reliability, serviceability. Look for:
 - Built quality – dampers, casings, components
 - Efficiency – EER, motor, VFDs, heating efficiency
 - Controls – open protocol/interoperability
- Consider various forms of heat pumps for heating where applicable
 - Efficient electrification resources coming from Save on Energy



A Checklist: Benchmarking to Opportunity

201

My Facility – Benchmarking Results

PORTFOLIO MANAGER INPUTS

Gross floor area: _____
Weekly operating hours: _____
of computers: _____
of workers on main shift: _____
% that can be heated/cooled: _____

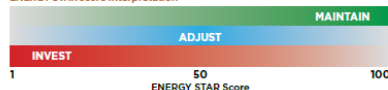
PORTFOLIO MANAGER OUTPUTS

ENERGY STAR score: _____
Site EUI: _____
Source EUI: _____
Median property EUI: _____

TARGETS

ENERGY STAR score target: _____
Site EUI target: _____

ENERGY STAR score interpretation



Adapted from the U.S. EPA's Energy Performance Rating System

Office buildings – energy efficiency opportunity questionnaire

EBCx	Lighting upgrades	Supplemental load reduction	Air distribution systems upgrade	Heating and cooling resizing and replacement
<ul style="list-style-type: none"> Do the lighting and occupancy schedules match? [Pg. 8] Is the air handling system on a schedule? [Pg. 8] Are the zone temperature set points set back/forward during unoccupied hours? [Pg. 8] Does the air handling equipment have a properly functioning economizer to enable free cooling? [Pg. 9] Are the heating coil valves turned off during the cooling season? [Pg. 9] Is the zone temperature deadband wide enough? [Pg. 9] Is the supply air temperature reset depending on outdoor conditions? [Pg. 9] Are the outside air dampers closed during morning warm-up during the heating season? [Pg. 9] Is an early morning flush performed regularly during the cooling season? [Pg. 10] Is the VAV system static pressure set point automatically reset through a zone-level control feedback loop? [Pg. 10] Are the VAV zone dampers operating properly? [Pg. 10] 	Direct replacement <ul style="list-style-type: none"> Have frequently used incandescent fixtures been replaced with LED fixtures? [Pg. 16] Have incandescent Exit signs been replaced with LED signs? [Pg. 16] Have exterior light fixtures been replaced with LED fixtures? [Pg. 16] Have fluorescent fixtures in stairways and/or exit routes been replaced with LED fixtures? [Pg. 16] Have wall switches in enclosed rooms been replaced with occupancy/vacancy sensors? [Pg. 17] Designed retrofits <ul style="list-style-type: none"> Have unnecessary lamps or fixtures been removed (delamping)? [Pg. 19] Does the lighting design take advantage of specular reflectors? [Pg. 20] Has the ceiling light intensity been lowered and workers provided with individual LED task lights? [Pg. 20] 	Power loads and equipment <ul style="list-style-type: none"> Is equipment being turned off when not in use? [Pg. 24] Is ENERGY STAR equipment being used where applicable? [Pg. 25] Has a policy regarding personal powered devices been implemented? [Pg. 25] Has an employee energy awareness program been implemented? [Pg. 25] Have transformers been replaced with energy-efficient models? [Pg. 25] Has your data centre been retrofitted? [Pg. 26] Envelope <ul style="list-style-type: none"> Have infiltration issues been addressed? [Pg. 29] Has an air barrier been added or improved? [Pg. 30] Do the roof and wall insulation levels meet NECB requirements? [Pg. 31] Have the windows and doors been upgraded? [Pg. 32] Does the building have a "cool roof"? [Pg. 33] 	<ul style="list-style-type: none"> Is there a DCV system? [Pg. 41] Has the CV reheat, multi-zone, or dual-duct system been converted to a modern VAV system? [Pg. 42] Are fans and fan motors right-sized? [Pg. 42] Have VSDs been added to pumps and fans with variable loads? [Pg. 42] Is heat recovered from exhaust streams? [Pg. 42] Is outdoor air pre-heated with a solar air heating system? [Pg. 43] Is there a VRF system? [Pg. 43] Has the mixed-air delivery system been replaced with a DOAS? [Pg. 44] Have existing air filters been replaced with electronic air cleaners? [Pg. 44] 	Central heating <ul style="list-style-type: none"> Have existing boilers' control systems been replaced? [Pg. 47] Have flow-restricting valves been eliminated? [Pg. 47] Have pumps been replaced and right-sized? [Pg. 47] Are heating water pumps being controlled with VSDs? [Pg. 48] Have new burners been installed on existing boilers? [Pg. 48] Have turbulators been installed in firetube boilers? [Pg. 48] Has a new condensing boiler been installed? [Pg. 48] Has a new modulating boiler been installed? [Pg. 49] Has a new hybrid boiler system been installed? [Pg. 49] Has a new heat pump system been installed? [Pg. 50] Central cooling <ul style="list-style-type: none"> Have flow-restricting valves been eliminated? [Pg. 56] Are chilled water pipes insulated? [Pg. 56] Have pumps been replaced and right-sized? [Pg. 56]

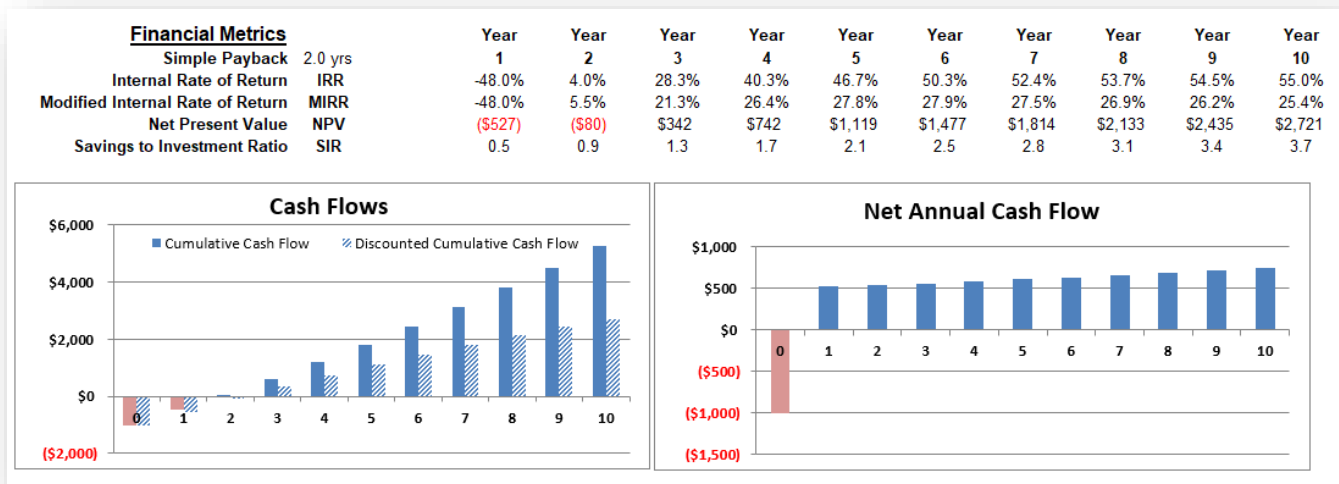
Major Energy Retrofit Guidelines for Commercial and Institutional Buildings • Office Buildings



Developing the Financial Case

Treat Energy Efficiency as an Investment!

- As an investment, consider using value indicators such as:
 - Savings to Investment Ratio (SIR)
 - Net Present Value (NPV)
 - Internal Rate of Return (IRR)



RETScreen Expert – A Technical & Financial Analysis Tool!



RETScreen - Financial Analysis				Subscriber: TdS Dixon Inc - Professional		
Financial parameters				Costs Savings Revenue		
General				Initial costs		
Fuel cost escalation rate	%		2%	Incremental initial costs	100%	\$ 32,682
Inflation rate	%		2%	Total initial costs	100%	\$ 32,682
Discount rate	%		9%	Yearly cash flows - Year 1		
Reinvestment rate	%		9%	Annual costs and debt payments		
Project life	yr		20	O&M costs (savings)	\$	-382
Finance				Fuel cost - proposed case	\$	6,820
Incentives and grants	\$			Debt payments - 15 yrs	\$	2,512
Debt ratio	%		70%	Total annual costs	\$	8,949
Debt	\$		22,877	Annual savings and revenue		
Equity	\$		9,805	Fuel cost - base case	\$	10,429
Debt interest rate	%		7%	GHG reduction revenue	\$	0
Debt term	yr		15	Other revenue (cost)	\$	0
Debt payments	\$/yr		2,512	Total annual savings and revenue	\$	10,429
Income tax analysis				Net yearly cash flow - Year 1	\$	1,480
				Financial viability		
				Pre-tax IRR - equity	%	20.3%
				Pre-tax MIRR - equity	%	13.6%
				Pre-tax IRR - assets	%	5.3%
				Pre-tax MIRR - assets	%	7%
				Simple payback	yr	8.2
				Equity payback	yr	5.6
				Net Present Value (NPV)	\$	12,690
				Annual life cycle savings	\$/yr	1,390
				Benefit-Cost (B-C) ratio		2.3
				Debt service coverage		1.6
				GHG reduction cost	\$/tCO ₂	-82.17
Annual revenue				Yearly cash flows		
GHG reduction revenue				Year	Pre-tax	Cumulative
Gross GHG reduction	tCO ₂ /yr		13	#	\$	\$
Gross GHG reduction - 20 yrs	tCO ₂		268	0	-9,805	-9,805
GHG reduction revenue	\$		0	1	1,560	-8,245
Other revenue (cost)				2	1,641	-6,604
				3	1,724	-4,880
				4	1,809	-3,071
				5	1,895	-1,176
				6	1,983	807
				7	2,073	2,880
				8	2,165	5,045
				9	2,258	7,304
				10	2,354	9,658
				11	2,451	12,109
				12	2,550	14,659
				13	2,652	17,311
				14	2,755	20,066
				15	2,860	22,926
				16	5,480	28,406
				17	5,589	33,995
				18	5,701	39,696
				19	5,815	45,511
				20	5,931	51,442

You can explore a whole building retrofit using the Virtual Energy Analyzer



Incentives from Save on Energy

About the Retrofit Program

The Save on Energy Retrofit program offers commercial electricity customers incentives to upgrade equipment, reduce energy bills, lower carbon footprints and enhance staff comfort.

Which of my facilities are eligible?



Offices



Libraries



Recreation
Centers



Multi-family



Emergency
Services



Water
Treatment

About the Retrofit Program

Which project types are eligible?



Lighting



HVAC



Controls &
Automation



Refrigeration



Motors &
Drives



Compressed
Air

Prescriptive and Custom Tracks

Prescriptive

- Set incentive rates for common retrofits.
- No calculations required.
- No post-project M&V.

Custom

- Calculated incentive based on energy (kWh) or demand (kW) savings for more complex projects.
- Estimated savings calculations required.
- Post project M&V may be required to verify savings.

Retrofit Program Process (1/2)

Visit the Resources and Support page for Application Checklists, Tips and Best Practices



Register for the Retrofit Portal

Sign up for a Save on Energy account at saveonenergy.ca/Retrofit.

A user guide and instructional videos are available online on the Retrofit Program's Resources & Support page.

Submit Application Documents

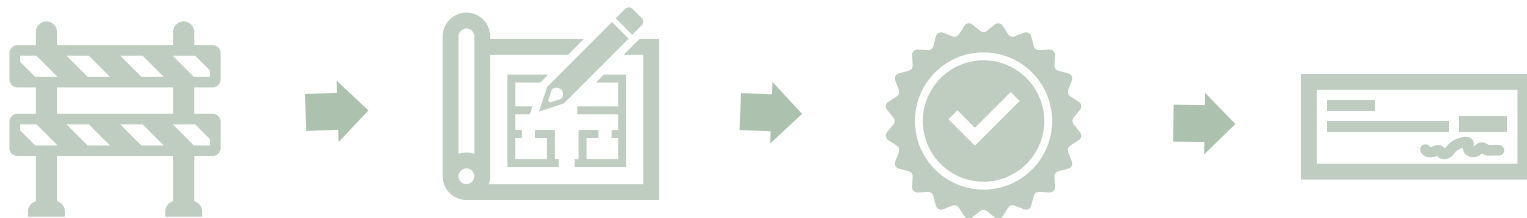
Enter project details. Attach quotes, specification sheets, calculations, pre-project photos, M&V Plan (if required).

Project Pre-Approval

Respond to any requests for information. Receive your notice of pre-approval

Retrofit Program Process (2/2)

Visit the [Resources and Support page](#) for Application Checklists, Tips and Best Practices



Project Installation

Complete your project installation once you have received your notice of pre-approval

Post-Project Application

Enter project details. Attach invoices, proof of payment, QA/QC photos and M&V documents if required.

Post Project Approval

You will receive a notice of approval following review and approval of all required documents

Incentive Payment

Following approval, submit an invoice for the approved incentive amount.

Retrofit Program spring 2023 changes

- **Custom track** introduced in May 2023
- Updated incentive structure
 - New and increased incentives
 - Same incentive rate for lighting and non-lighting projects (**\$1,200/kW or \$0.13/kWh**, whichever is higher)
 - \$1 million incentive cap for Retrofit projects has been removed
 - Incentives continue to be capped at 50% of project costs
- Changes to **networked lighting** control incentives
 - Incentives now calculated on **\$/kWh** (moving away from \$/sq. ft.)
 - An incentive offering for networked lighting controls — from \$0.15/sq. ft. to **\$0.35/kWh**

Retrofit Program fall 2023 changes

- Prescriptive incentives for most **non-lighting** measures have increased as of October 30, 2023
- Most non-lighting incentives have **doubled**, and some have increased three- or fourfold, including air source heat pumps
- The **last day to apply for lighting** projects (prescriptive or custom) in the Retrofit program is **December 17, 2023**
- The **Instant Discounts Program** for lighting launches **December 18, 2023**
- In this program, incentives will be paid directly to distributors, enabling them to offer instant point-of-sale discounts on energy-efficiency lighting to customers
- Visit the [Retrofit program website](#) for the updated measures and incentives.

New Measure Incentives Rates

Measure	New Incentive
Unitary Air Source Heat Pump 20.0 to <63.3 Tons	\$18,000/unit
Refrigeration Compressors High Efficiency Scroll Compressors	\$240/HP
Circulator Pumps with ECMs >=750<1490 W (>=1<2HP)	\$2,200/unit
Compressed Air VD Variable Displacement Compressor >= 20 HP	\$3,120/unit
Demand Control Ventilation – Enclosed Parking Garage >50 to <= 75 HP	\$29,850/unit
Unitary Air Conditioning Unit 20 to < 63 tons	\$4,880/unit
Variable Frequency Drive 5 HP	\$1,050/unit
Variable Frequency Drive 150HP	\$29,400/unit

The complete list of incentives can be found on the Retrofit program [webpage](#).

Retrofit regional adders

In certain areas of Ontario where electricity constraints exist, Save on Energy introduced Retrofit regional adders that **double the incentive for non-lighting prescriptive measures** to further encourage uptake in the Retrofit program. The target areas are:

- Niagara region
- Kingston area
- Southern Huron Perth
- Pembroke area
- Kenora
- Waubushene
- Barrie/Muskoka
- Elmira
- Peterborough/Belleville

Postal codes for each eligible target area are available on the [Save on Energy website](#)

Training Courses

Save on Energy offers incentives of up to 50% for ~20 training courses, plus certification exam fees, including:

- Achieving Net-Zero Buildings
- Energy Management and the ISO 50001 Standard
- HVAC Optimization for High Performance Sustainable Buildings
- Certified Energy Manager (CEM)
- Certified Measurement & Verification Professional® (CMVP)



To register,
visit: <https://saveonenergy.ca/Training-and-Support/Training-Courses>

Training Courses for Enbridge Customers

Enbridge customers are eligible for incentives of up to 75% for three courses:

- Dollars to \$ense Workshops - up to \$500 a day
- Certified Sustainable Building Operator® (CSBO) - up to \$2,250 of course fees
- Certified Energy Manager® (CEM) - up to \$2,500 of course fees



Save on Energy's Capability Building Program

- Save on Energy's Capability Building program is designed to increase awareness of energy-efficiency opportunities, and to enhance knowledge and develop skills in organizations and communities across Ontario so they can undertake energy-efficiency actions and participate in Save on Energy programs
- The program includes tools such as workshops, webinars, training courses, coaching, peer learning and information resources including guides and videos



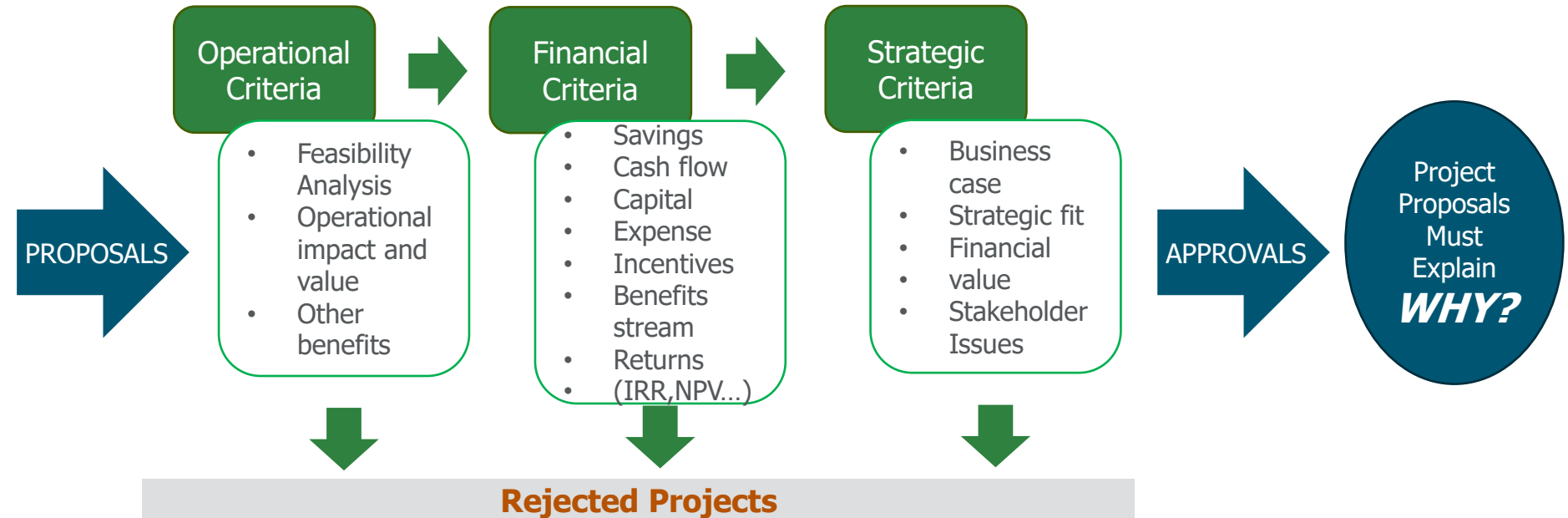


Making and Pitching The Business Case

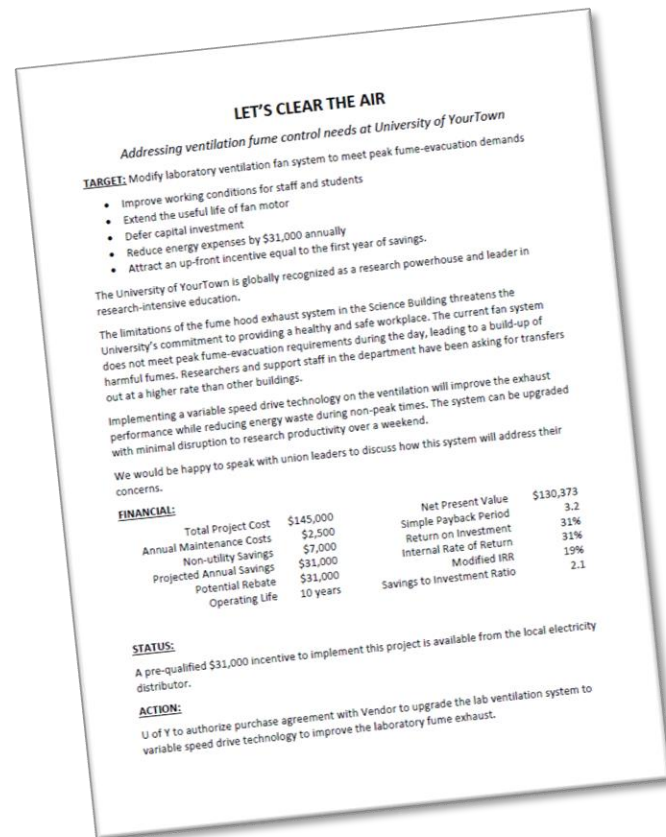
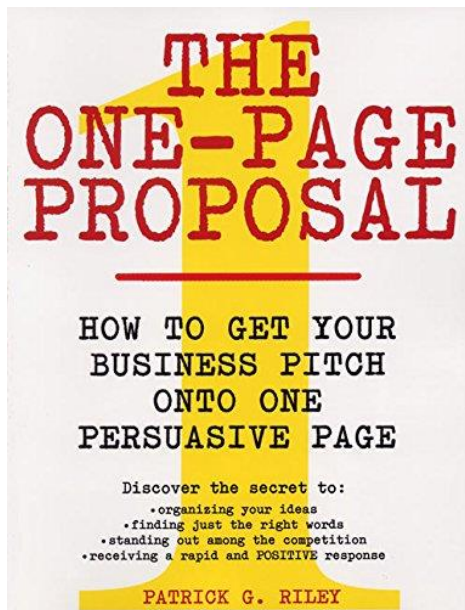
Featuring the One-Page Proposal

Getting to Yes!

Mapping the Decision Process



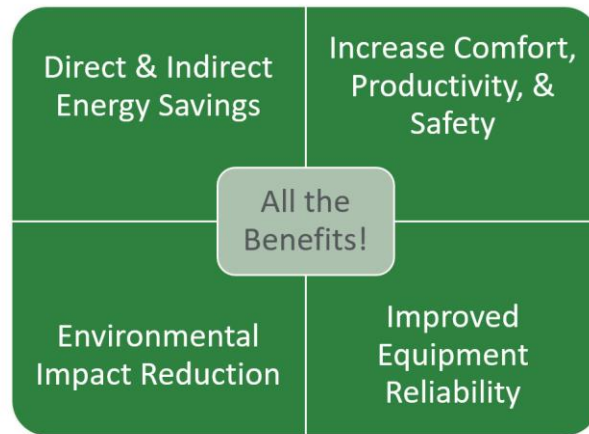
The One-Page Proposal

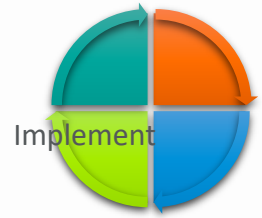


The Strategic Steps of a One-Page Proposal

Follows a logical thought process:

- Title and subtitle - what's to come
- Target and secondary targets - goals
- Rationale - background, WHY, the pitch
- Financial - \$\$\$
- Status - what's happening
- Action - what do you want?





3. Implement

Project Management, Financing and Contracting

Project Management and Contracting

- A good project can get derailed by poor project management
- All retrofit projects should have a formal management, typical following the five-step process
 - **Initiating** involves defining your project and obtaining authorization to proceed.
 - **Planning** involves establishing the scope of work, project objectives and the course of action.
 - **Executing** involves selecting contractors and completing the project work.
 - **Monitoring and controlling** happens in parallel with the execution step and involves ensuring that the project work is undertaken as planned, as well as managing any necessary change orders.
 - **Closing** involves finalizing project activities and formally closing contracts.
- The root of the project management success is good communication



An End-to-End Retrofit and Implementation Process

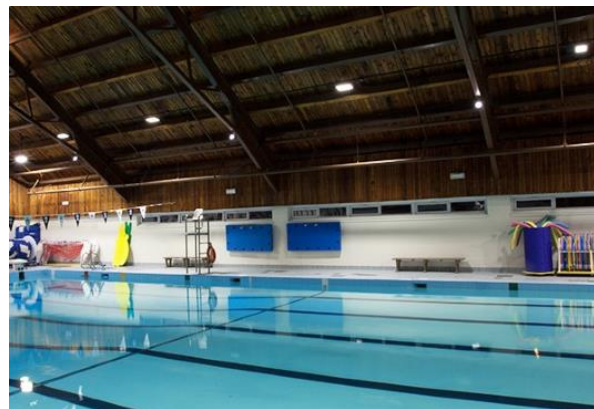
The LAS Facility Lighting Service

Energy Savings Made Easy!

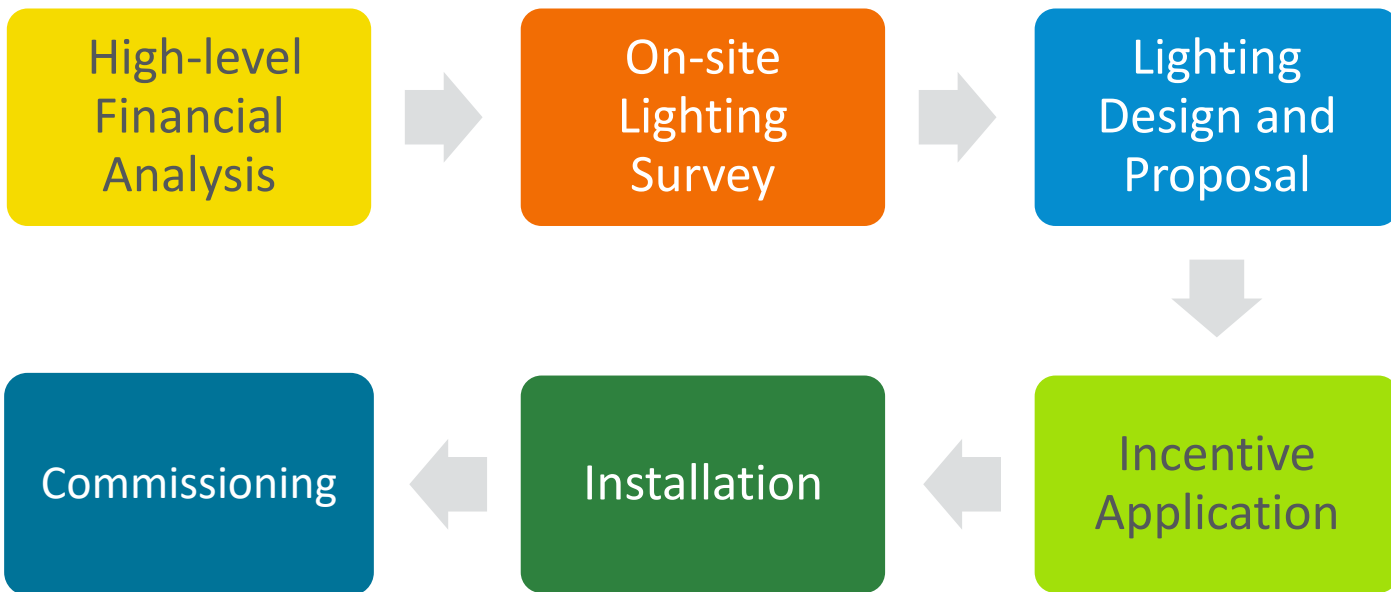


Key Facilities

- Long-Term Care Homes
- Municipal Offices
- Library and Town Halls
- Public Works and Transit Garages
- Pools and Gymnasium
- Community Centres
- Arenas and Curling Rinks
- Baseball Diamonds



LAS Facility Lighting Service



Haldimand County Grandview Lodge LTC



128-Bed Long-Term Care Facility

- Energy cost \$62,801 (60% reduction)
- Maintenance \$7,950 (80% reduction)
- Incentives \$23,000
- Financial value IRR of 28.5% (simple payback of 3.7 years)
- Energy consumption 393,778 kWh

Peterborough Memorial Centre



Before and After



Energy Cost and Maintenance Savings

- Energy cost \$12,742 (45% reduction)
- Maintenance \$3,334 (80% reduction)
- Incentives \$6,840
- Financial value IRR of 22.1% (simple payback of 4.6 years)
- Energy consumption 70,787 kWh

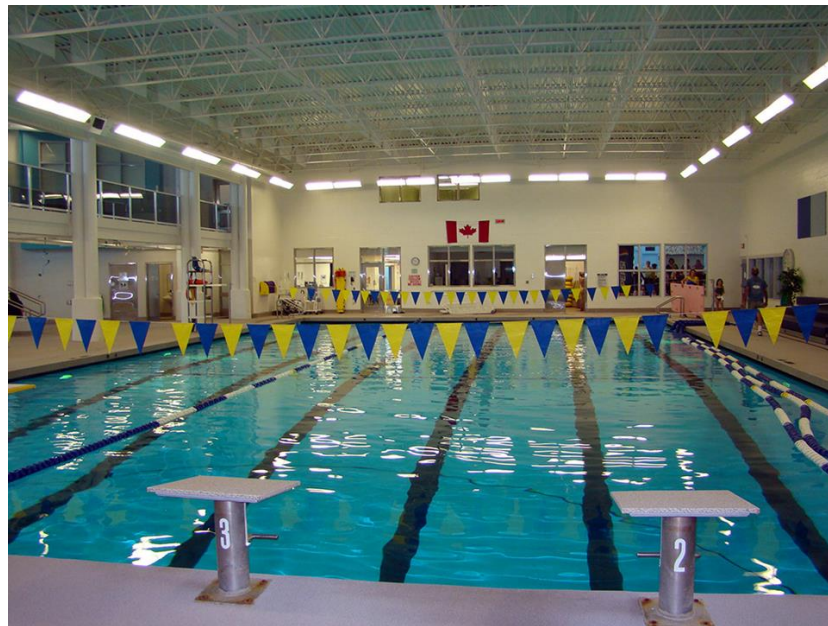
Kenora Aquatic Centre (Pool Lighting)

Base Case:

- Lamp Type: T5 (54W)
- Operating Hours: 5,828 hrs
- Wattage: 17 kW
- Annual Consumption: 96,512kWh

Proposed Case

- Lamp Type: LED – Acuity DSX PGT
- Wattage: 6 kW
- Annual Consumption: 35,924 kWh
- Energy and Maintenance Savings: \$11,694.06
- Financials: IRR of 27.1% (simple payback of 3.9 years)



Program stats

- Over 120 projects completed and counting
- Community centres, municipal offices, town halls, arenas pools, gymnasium, public works garages and long-term care facilities
- Cumulative savings to municipalities: over \$1 million
- Energy consumption savings: 6.3 million kWh
- Incentives: \$520,000
- 40 municipalities participated
- Save on Energy incentives availability: 2021-2024

Let's continue the conversation

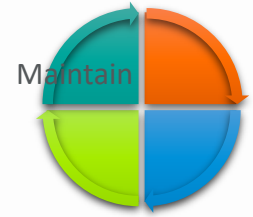


T 416.971.9856 TF 877.426.6527

Christian Tham

Municipal Program Specialist
ctham@amo.on.ca

647-932-3774 ext. 452



4. Maintain

Commissioning, Handoff, Training, Ongoing Optimization and Monitoring

Training – Before, During and After Retrofits

- Up to 75% support available for training
- Customizable to your needs and facility
- Hands-on and practical
- Certifications



For Your
Home

For Your Small
Business

For Business &
Contractors

First Nations Energy
Programs

**Training and
Support**

[Home](#) > [Training and Support](#) > Commercial



Commercial

Energy-efficient buildings are an important part of the transition to a low-carbon economy. Save on Energy's training and support resources can help you reduce costs through improved energy efficiency in commercial and multi-unit residential buildings.

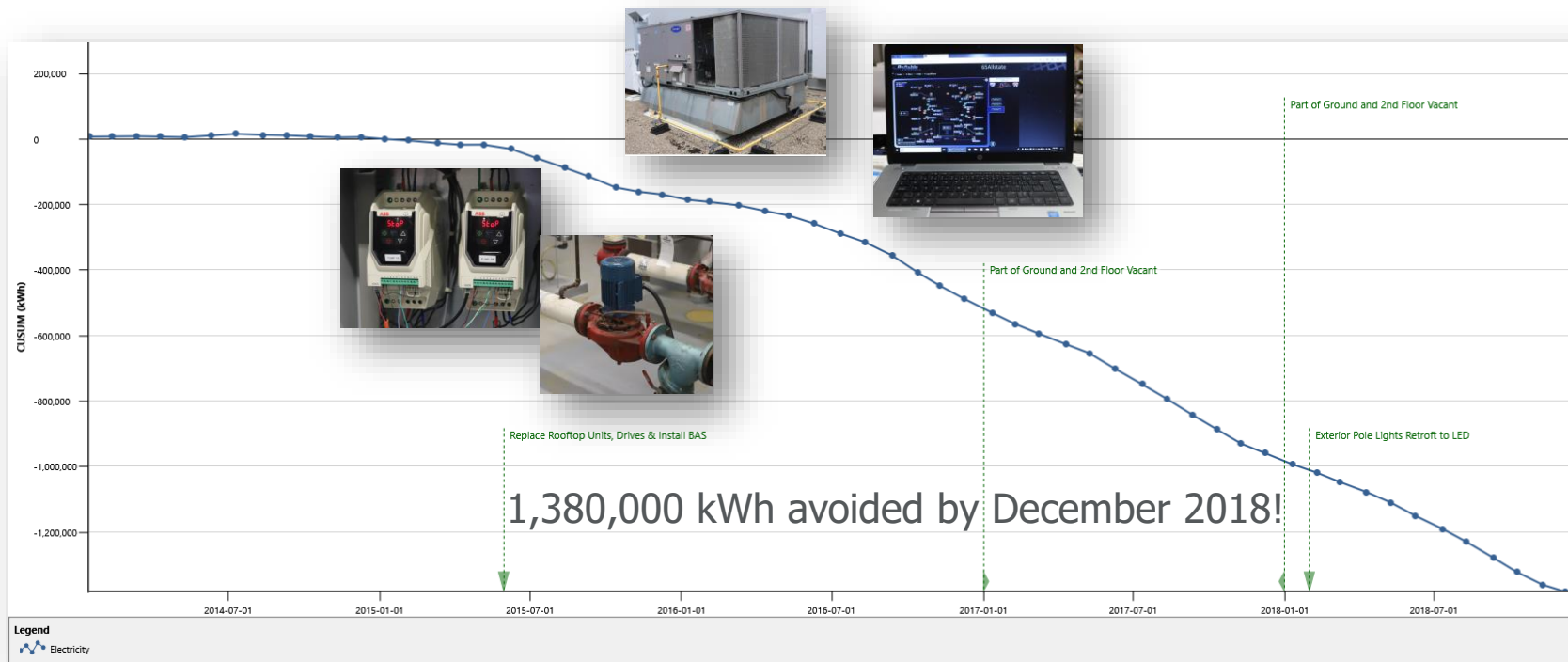
<https://saveonenergy.ca/Training-and-Support/Commercial>

Monitoring to Show/Ensure the Results

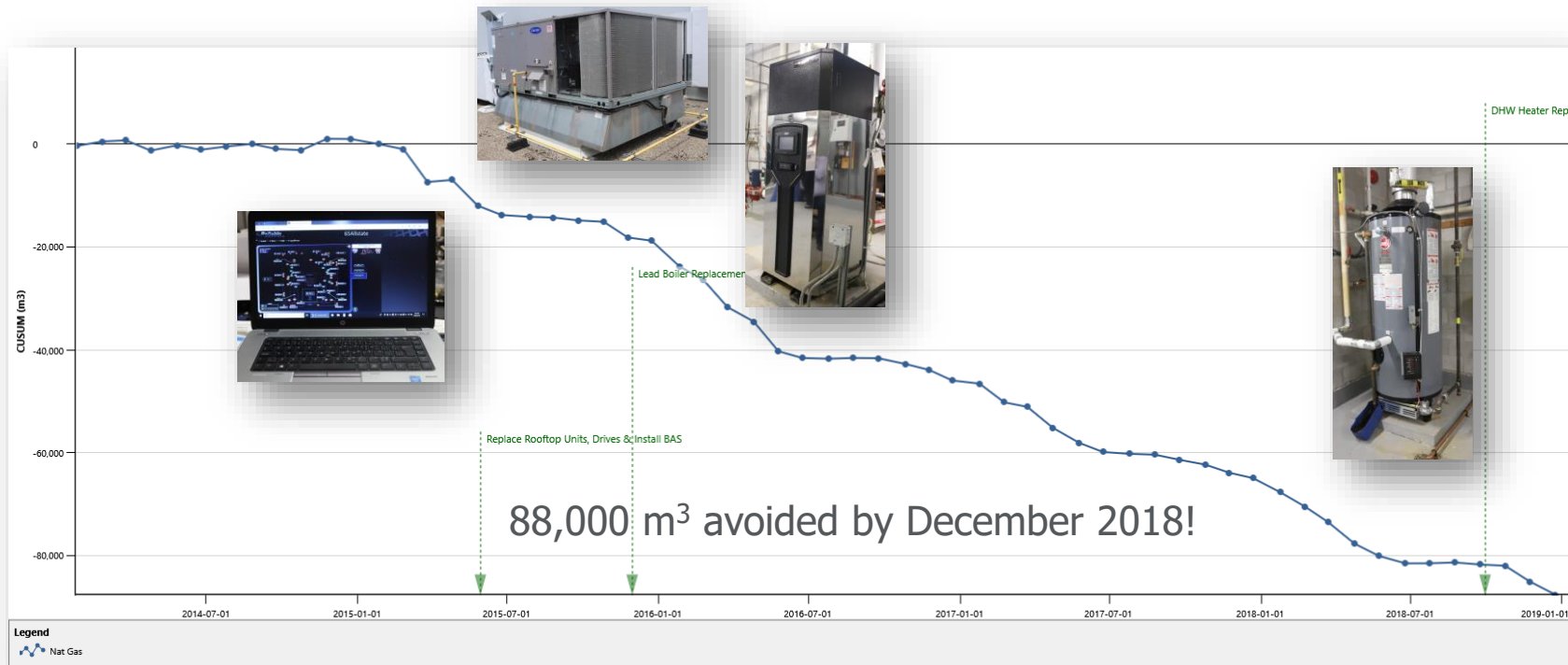
- 3 floors, 48,000 sq.ft.
- Energy reduced by 37% from 2014 to 2018
 - 2014: 47.3 kWh/ft²**
 - 2018 29.8 kWh/ft²**
- Actions linked to asset renewal
- Measures include:
 - Four new rooftop HVAC units
 - VFDs on circulator pumps
 - Building automation system
 - One of two boilers, DHW heater
 - Exterior lighting
 - Commissioning



Electricity Improvement



Natural Gas Improvement



A Retrofit Strategy – A Roadmap to Savings and a Roadmap to the Future!

1. Assess

- Establish commitment
- Benchmarking with Portfolio Manager
- Identifying opportunities

2. Plan

- Staging project measures
- Determining timing
- Creating the business case

3. Implement

- Managing your project
- Selecting a contractor
- Commissioning and project hand-off

4. Maintain

- Training staff
- Ongoing building optimization
- Monitoring and tracking



Questions and Answers

Thank you

SaveOnEnergy.ca

trainingandsupport@ieso.ca



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