1. Introduction

The Business Custom Rebate (BCR) is a Demand-Side Management (“DSM”) energy conservation program sponsored by Colorado Springs Utilities (Utilities). The goal of the program is obtaining verifiable and persistent reduction of Electric Demand (kW) and Energy (kWh). This rebate was created for unique or business specific projects not covered by any other Colorado Springs Utilities rebate.

2. BCR Schedule and Budget

Each year, Utilities will initiate a new BCR cycle subject to budget approval. Each BCR year’s kickoff date will occur on the first working business Monday in January and will continue on a first come, first served basis until the available budget for that year runs out or until November 30 of the same year, whichever occurs first. The BCR budget for 2020 is $350,000. If the current year’s BCR funding has already been committed, subsequent applications will be placed on a waiting list in the order they are received should rebate monies become available. If rebate funds do not become available for the current year then no rebate will be offered. For projects scheduled to start in 2020 but end after November 30, 2020, the customer may submit required paperwork, but the rebates paid will be subject to any changes resulting from the 2020 budget process. The customer will be required to provide the estimated completion date of the project. The customer may be granted and extension up to 1 year past this date to complete all portions of the project including M&V and final paperwork submission. For projects projected to last more than one year a conditional pre approval maybe given. Final payment will be subject to availability of funds in the year of completion. The program manager may grant a conditional pre approval if the customer can demonstrate that a failure has occurred that requires immediate replacement and that the regular rebate process would cause an undue burden with respect to time. This only eliminates the need to wait for the approval letter prior to purchasing equipment. The measure must still pass all cost effectiveness tests to be granted a rebate.

3. Rebate Amount and Payment

The rebate amount will be calculated on a case by case basis. Calculations will include (but will not be limited to) the kW and kWh reduction, the measure life, the costs and benefits to the customer and the confidence that the reduction is permanent. Exceptions can be made on a case by case basis such as old equipment kept for emergency use only. The rebate payment will not exceed the estimate in the approved and signed Approval to Proceed. Measures that underperform by more than fifteen (15) percent of the energy reduction goals stated in the Approval to Proceed, as determined during the M&V process, will be re-evaluated for cost effectiveness and which may result in denial of a rebate. The total project rebate payment may not exceed fifty (50) percent of the project cost, fifty (50) percent of the Program budget or seventy-five (75) percent of the incremental cost. The Participant may receive a credit for the rebate payment on the Springs Utilities electric account listed in the Pre Application or a check. Issuance of a check to the participant will require a completed W-9 (Oct. 2018 Rev.). Rebate payments to Third Parties may be made by Utilities at the request of the Participant but, requires BCR Program Manager’s approval. Third Parties receiving the Participant’s rebate requires: 1) A W-9 (Oct. 2018 Rev.) completed by both the Participant and the Third Party and 2) An authorization letter from the participant approving the payment of a third party. The letter must be signed by the Participant and the Third Party.

4. Eligibility

4.1 Participant

Participants in the BCR must meet the following minimum eligibility criteria:

- Must be a Utilities customer or a third-party contractor designated to represent the customer.
- Utilities account(s) for rebate participant must be current and non-delinquent (i.e. no past due
balances) at the time the rebate application is processed or rebate will be denied.

- Must be on a non-residential, commercial rate.
- Must be willing to provide reasonable access to project facilities for independent verification of reported measure installation and/or realized savings.

### 4.2 Project

The goal of this program is to provide an incentive to customers to reduce Demand and/or Energy use. Projects appropriate for this program should provide Utilities with reasonable assurance that the savings rebated will be sustainable for the anticipated life of the project. The final determination of eligibility of a proposed project shall be at the discretion of Springs Utilities. All projects must meet the following minimum requirements:

- The project must have a simple payback of more than 1 year without the rebate and less than the estimated measure life including the rebate
- Must yield a sustained reduction of demand and or energy.
- Must be new equipment only.
- Must exceed the minimum IECC energy efficiency code requirements. The version of the IECC code in force with the Regional Building Department at the time the permit is issued or the date the rebate application is received (if no permit is required) will be used to determine energy savings.
- Must be a retrofit to existing facilities, no new construction.
- The project must pass the Modified Total Resource Cost Test (MTRC), which will be calculated by Utilities based on technical information provided by the customer, such as energy savings, demand savings that is coincident with utility system peak, and expected measure life, maintenance savings etc. The MTRC test considers costs and benefits to both the customer and to the utility, to ensure that achieving the energy and demand savings is a lower cost option than simply producing the energy and power required for a less efficient option that would have likely been selected in the absence of the incentive program.

### 5. Participation Process

This section provides information on participating in the BCR including the required steps involving paperwork submittals and milestones.

#### 5.1. Seven Step Process

1) The Participant provides Utilities with a completed, signed Business Custom Rebate Pre Approval Request. **The application must be received by Utilities prior to project beginning including the purchase of materials.**

2) Utilities will review the Pre-Application for completeness and schedule a meeting at the Participant's sites to verify existing conditions and review the proposed measures. If the review of the information in the Pre-Application or site visit uncovers any discrepancy Utilities will pursue clarification with the Participant (see Appendix 1).

3) Using information received from the participant in the pre application and the site visit, Utilities will evaluate the proposed project and determine the following:
   a. Eligibility for a rebate
   b. The estimated kW and kWh savings
   c. The Measurement and Verification required
   d. The estimated rebate amount
   (See Appendix 2)

4) Upon completion of the evaluation, Utilities will mail, e-mail or hand deliver to the Participant either an Approval to Proceed letter or a Non-Qualification letter. **The Approval to Proceed letter**
serves as official notification that all BCR requirements to date have been met. The Approval to Proceed Letter will state the **anticipated** kW and or kWh reduction and the amount of the **potential** rebate. An attachment to the letter will list the required Measurement and Verification requirements. If within ninety (90) days from the issue date of the Rebate Monies Reserved letter, the Participant has taken no action to begin retrofit efforts by ordering equipment or beginning reconstruction, the BCR Program Manager will release the rebate monies reserved and return those monies back to the BCR budgets’ available funds. **Only after the Approval to Proceed letter is received may the customer begin the project to include the purchase of equipment or materials.**

5) Participant proceeds with construction and, when complete, notifies BCR Program Manager.

6) **Utilities will perform a post-inspection of the work performed** and review the Final Measurement and Verification (M&V) data to determine the **actual** kW reduction.

7) Utilities will calculate the rebate amount according to the findings of the M&V final inspection and issue a credit or check to the Participant.

**Appendix 1 - M&V Inspections**

The inspections consist of a pre-installation inspection to verify the baseline and a post-installation inspection to verify that the retrofit was installed as proposed and documented. The M&V inspections require the presence of at least one Participant representative who is familiar with the project and the facility. If electrical measurements are necessary, the Participant’s representative is required to coordinate with the Customer any necessary disruptions in equipment operation, the opening of any electrical connection boxes, or the connection of current and power transducers. Utilities will work with Participants to identify a mutually convenient time to conduct any inspection activities. If the inspections cannot be completed in a timely manner because the representative is unfamiliar with the facility or project or because the inspections cannot be scheduled within a reasonable time as determined by Utilities, the rebate funds will be put at risk.

Based on the results of the inspections, BCR Program Manager may request that the Participant correct and resubmit the affected forms.

**Appendix 2 – Project Evaluation and M&V Determination**

Note that each project will be unique and may require evaluation specific to the proposed technology. The evaluation criteria listed below will be applied to all projects.

**Measure Type**

- **Early Replacement**
  - Measures to replace equipment with more than fifteen (15) percent of the estimated life remaining will be considered early replacement
  - Energy and demand savings will be determined by comparison of existing equipment to new equipment

- **End of Life**
  - Measures to replace equipment with less than fifteen (15) percent of the estimated life remaining will be considered at the end of life.
  - Energy and demand savings will be determined by comparison of new equipment to any applicable code minimums or lower efficiency equipment with similar capacities.

**Load Shape**

- Are the energy savings seasonal, production related, continuous, etc.?
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- Are the energy savings subject to scheduling day or night?

Effect on other utilities
- Does the proposed measure reduce use for one service but increase use in another?
  - Example: moving from an air cooled process to a water cooled process.

Calculated savings from M&V
- All savings will be determined to within a ninety-five (95) percent confidence interval.
- Demand savings will be determined from 3 PM to 6 PM, Monday through Friday, June through September.
- kWh savings will be determined as the total savings for one calendar year.