



Last updated August 14, 2009

## Peak Demand Rebate Program

### Fact Sheet

The **Peak Demand Rebate** (PDR) program is a demand-side management (DSM) opportunity sponsored by Springs Utilities with the goal of obtaining on-peak summer electric demand reduction. Program participants provide verified electric demand savings through the installation of eligible DSM measures (energy-efficiency and/or load-shifting) in return for a **\$400 per kW incentive**.<sup>1</sup> The PDR program is a custom rebate program designed to provide flexibility in terms of eligible measures.

This is a multi-year program integral to our Electric Integrated Resource Plan, but is contingent each year on available funding and Utilities Board approval.

- Eligible measures:
  - Must be installed in commercial, institutional, or industrial facilities located in the Springs Utilities service territory.
  - The program applies to all Springs Utilities Customers with demand meters, including the following rate schedules: Commercial Service – General – Time-of-Day Option (ETC), Industrial Service – Time-of-Day 1,000 kWh/Day Minimum (ETL), Industrial Service – Time-of-Day 500 kW Minimum (E8T), Industrial Service – Time-of-Day 4,000 kW Minimum (E8T), and Military Contract Service (ECD). The demand meter requirement allows Springs Utilities to verify the results.
  - Minimum 10kW peak demand reduction.
  - The peak demand reduction is calculated in reference to existing vs. new equipment.
  - Must reduce electric demand during Springs Utilities' summer peak demand period, defined as 3 to 6 p.m., Monday through Friday, from June 15 through September 15, except federal holidays. Rebates are based on the average demand reduction achieved during peak demand period. For measures that do not provide persistent demand savings, the Estimated Demand Reduction will be de-rated by a factor equivalent to the percent of the time the building is in use throughout the peak demand period.
  - May be installed as part of a retrofit, addition, or renovation.
  - Must have a useful life of at least 10 years.
  - Include (but are not limited to) the following examples:
    - Chiller replacement with a more efficient chiller
    - Packaged cooling unit replacement with a more efficient unit
    - Refrigeration compressor and condenser replacement with more efficient units
    - Motor replacement with a premium efficiency motor
    - Installation of permanent shading devices that reduce cooling loads
    - More efficient process equipment
    - High-efficiency fluorescent lighting (including pin-based Compact Fluorescent Lamps)
    - High-efficiency screw-type, push-in etc. lighting (including Compact Fluorescent Lamps, High Intensity Discharge), and LED

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<sup>1</sup> Lighting measures effectively receive slightly less than \$400 per kW. A fraction of affected lights are deemed operational during the program's peak period based on standardized diversity factors found in the Program Manual.

- Installation of direct or indirect evaporative cooling systems in place of vapor compression cooling
  - Installation of thermal storage devices
  - Evaporative pre-cooling systems for large air-cooled HVAC cooling equipment.
  - Substituting another fuel source for electricity (fuel switching)<sup>2</sup>
  - Hard-wired compact fluorescent fixtures
- Ineligible measures include those that:
    - Provide demand savings, but not during the programs' summer peak period.
    - Rely solely on changes in customer behavior or equipment scheduling (automatic controls, automatic load-shedding equipment, dimming, window blinds).
    - Require no capital investment.
    - Merely terminate existing processes, facilities or operations.
    - Involve plug loads (devices that can be unplugged, but just as easily plugged back in; also computer inactivity controls).
    - Receive a rebate through any other energy efficiency or DSM program offered by Springs Utilities for the same work.
    - Generate electricity, including cogeneration or renewable energy generation.
    - Achieve savings through equipment maintenance, commissioning, or operational changes, without an equipment efficiency or load shifting upgrade.
    - Are easily reverted or removed.
  - Participants in the program:
    - May be a Springs Utilities customer or a third-party contractor designated to represent the customer.
    - Must maintain accounts in good standing.
    - Must comply with all program rules and procedures.
    - Must submit documentation describing their projects, with necessary calculations to justify demand savings.
    - Must receive written pre-approval for proposed projects prior to installing equipment.
    - Must enter into a PDR Program Agreement with Springs Utilities,
    - Are responsible for measurement and verification (M&V) of peak demand savings. For prescriptive measures (lighting, HVAC and motor replacements), equipment specifications (wattage tables) satisfy the M and V requirement. The M& V results must satisfy and be approved by Springs Utilities before a demand rebate can be established. Alternately standard 70% de-rate from nameplate values is acceptable.
  - Rebates are distributed in one payment.
  - Participation in the program involves six steps:
    - 1) Participant prepares and submits a Preliminary Installation Report (PIR), including a M and V Plan, Program Agreement and IRS Form W-9 with each item signed by the customer.
    - 2) Colorado Springs Utilities reviews and approves the PIR, then sends a Notice to Proceed to the participant. Colorado Springs Utilities' review includes savings estimates, and an M and V plan. Springs Utilities may require additional submission material if not complete or satisfactory. Customer receives written approval and a Notice to Proceed
    - 3) Participant installs the project.
    - 4) Customer submits and Installation Report (IR) and conducts necessary M and V activities and submits a Verification Report (VR) for the rebate payment.

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<sup>2</sup> Subject to approval by Springs Utilities on a case-by-case basis.

- 5) CSU performs the field inspection and adjusts the rebate payment up or down accordingly from findings at CSUs discretion. However, the rebate may not exceed the cost of the project.
- 6) CSU makes Rebate Payment.

- The Verification Report deadline is as follows for each program year:

<b>Program Year</b>	<b>Verification Report Deadline (Lighting Projects)</b>	<b>Verification Report Deadline (All Other Projects)</b>
2009	October 31, 2009	October 31, 2009
2010	October 31, 2010	October 31, 2010
2011	October 31, 2011	October 31, 2011
2012	October 31, 2012	October 31, 2012
2013	October 31, 2013	October 31, 2013

- Other program rules include:
  - Projects must be approved and yet do not to be completed within the same calendar year.
  - Projects are approved and funds are reserved on a first come, first served basis.
  - The maximum rebate a project may receive is 50 percent of the calendar year rebate budget.
  - If no rebate funds remain at the time a project is submitted, the participant will be placed on a waiting list and admitted into the program in the following year, contingent on program funding.
  - Participants must submit itemized receipts or purchase orders for all measures rebated under the program, upon submittal of the installation report following project completion.
  - For tax purposes, participants must submit a completed W-9, Request for Taxpayer Identification Number and Certification, upon submittal of the installation report following project completion.
  - Where appropriate, Participant will adhere to Illuminating Engineering Society of North America (IESNA) illuminating design standards.
  - Lighting fixture removal is eligible under the program with the following conditions:
    1. Fixture removal can not be the basis for meeting the 10 kW minimum threshold for qualification.
    2. The Total Award Payment cannot exceed the total project cost (equipment plus labor).
    3. Customer must submit an affidavit certifying that the demand savings from fixture removal will persist for a minimum of ten years.

Springs Utilities reserves the right to inspect the facility, with advanced notice, at any time to confirm that fixture removal persists.

- The PDR program process is illustrated as follows:

