

BUSINESS CUSTOM WATER REBATE RULES & INSTRUCTIONS

1. Introduction

The Business Custom Water Rebate (BCWR) is a water efficiency program of Colorado Springs Utilities (Utilities). The goal of the program is to conserve reliable water supplies through physical demand-side efficiency improvements. This rebate was created for unique or business-specific projects.

2. BCWR Schedule and Budget

Each year, Utilities will initiate a new BCWR cycle subject to budget approval. Each BCWR 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. If the current year's BCWR funding has already been committed, subsequent screening requests 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, no rebate will be offered. For projects scheduled to start in 2024 and end AFTER November 30, 2024, the customer may submit required paperwork, but any rebate authorized will be subject to any changes resulting from the 2024 budget process. The customer will be required to provide the projected start and completion dates of the project. The customer may be granted an extension up to 1 year past the projected completion date to complete all portions of the project, including Measurement and Verification (M&V), if required, and requested paperwork submission. For projects projected to last more than one year a conditional approval maybe given. Final payment will be subject to availability of funds in the year of completion. Further, the BCWR program manager may grant a conditional approval if the customer can demonstrate that a failure has occurred that requires immediate equipment 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 to Proceed letter prior to purchasing equipment. The measure must still pass all cost effectiveness tests to be issued a rebate.

3. Rebate Amount and Payment

The rebate amount will be calculated on a case by case basis. Calculations may include water use reductions associated with efficiency improvements, measure life, costs to the customer and 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 Approval to Proceed letter. If the measured water savings fall short of the figures indicated in the Approval to Proceed, the rebate will be reduced accordingly, in line with the diminished savings volume identified during the measurement and verification process. The total rebate payment may not exceed \$60,000 for each controlling entity per year. The participating customer may receive a credit for the rebate payment on the Utilities water account listed in the screening request or a check. Issuance of a check to the participating customer will require a completed

W-9. Rebate payments to third parties may be made by Utilities at the request of the participating customer, but requires BCWR program manager's approval. Third parties receiving the participating customer's rebate requires:

1. A W-9 completed by both the participant and the third party and
2. An authorization letter from the participant authorizing the payment to a third party. The letter must be signed by the participant and the third party.

4. Eligibility

4.1 Participant

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

1. Must be a Utilities customer.
2. Utilities account(s) for a participant must be current and non-delinquent (i.e. no past due balances) at all times prior to issuance of a credit or rebate check.
3. Must be on a non-residential, commercial rate.
4. Must be willing to provide reasonable access to project facilities for independent verification of reported measure installation and/or realized savings.
5. Specific prescriptive rebates must be utilized if fixtures fall within those rebate rules.

4.2 Project

The goal of this program is to provide an incentive to customers to reduce water use through physical demand side efficiency improvements. Projects appropriate for this program should provide Utilities with reasonable assurance that the reductions 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 Utilities. All projects must meet the following minimum requirements:

1. Must yield a sustained reduction of water use.
2. Must be new equipment only.
3. Must meet or exceed State of Colorado or Energy Star water efficiency standards, or current code. Standards in place at the time of the screening request will be used to calculate water savings.

5. Participation Process

This section provides information on participating in the BCWR 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 Water Rebate Screening Request. **The screening request must be received by Utilities prior to the project beginning including the purchase of materials.**
2. Utilities will review the screening request for completeness and schedule a meeting at the participant's site(s) to verify existing conditions and review the proposed measures. If the review of the information in the screening request 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 screening request and the site visit, Utilities will evaluate the proposed project and determine the following:
 - a. Eligibility for a rebate
 - b. The estimated water savings
 - c. If and what M&V is 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 Notice of Ineligibility letter. The Approval to Proceed letter serves as official notification that all BCWR requirements to date have been met. The Approval to Proceed Letter will state the **anticipated** water use reduction and the amount of the **potential** rebate. An attachment to the Approval to Proceed letter will list the required M&V requirements, if any. If within ninety (90) days

from the date of the Approval to Proceed letter, the participant has taken no action to begin retrofit efforts by ordering equipment or beginning installation, the BCWR program manager has the discretion to release the rebate monies reserved and return those monies back to the BCWR budget's available funds. Unless conditional approval has been received, **only after the Approval to Proceed letter is received may the customer begin the project including the purchase of equipment or materials.**

5. Participant proceeds with installation and, when complete, notifies BCWR program manager.
6. **Utilities will perform a post-inspection of the work performed** and, if necessary, review the final M&V data to determine the **actual** water use reduction.
7. Utilities will calculate the rebate amount according to the findings of the post-installation inspection and, if necessary, M&V and issue a credit or check to the participant or authorized third-party designee.

Appendix 1 - 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 inspections require the presence of at least one participant representative who is familiar with the project and the facility. Utilities will work with the 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, BCWR program manager may request that the participant correct and resubmit the affected forms. This may result in reassessment of eligibility consideration and rebate funds unavailability.

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 may be applied to any project. The rebate amount will be based on a value of \$37 per 1,000 gallons of water saved (\$12,000/acre-foot) per year.

Measure Type

Ultra-efficient Replacement

1. Water savings will be determined by comparison of existing equipment to new equipment.

Effect on Other Utility Services

1. Does the proposed measure reduce use for one service but increase use in another?
 - a. Example: moving from a water-cooled process to an air-cooled process.
2. Where other rebate programs apply to the customer's project the other rebate programs must be exhausted prior to submission of BCWR screening request.

Calculated Savings from M&V

1. Water savings will be determined as the total savings for up to one calendar year using an approved method.
 - a. Example: retrofit isolation using an appropriately-located meter to verify savings at the "system" level.