

## ➤ **Evaporative Cooling**

### **A. Description**

The Evaporative Cooling product provides a rebate to Public Service's residential electric customers who purchase and install energy-efficient evaporative cooling equipment, and incentives for trade allies to promote the product to their customers.

Evaporative Cooling encourages customers and trade partners to purchase evaporative coolers (also known as swamp coolers) rather than central air conditioning. Customers benefit by reducing the up-front cost of buying evaporative cooling units, saving energy throughout the lifetime of the equipment, and reducing electric bills.

Qualifying equipment must be new, permanently installed evaporative cooling units. Portable coolers or systems with vapor compression backup are not eligible, neither is used or reconditioned equipment.

For homes in dry climates, such as Colorado, evaporative cooling provides an experience like an air conditioner, but with less energy use and significantly lower operating costs.

### **B. Targets, Participants & Budgets**

#### Targets and Participants

Targeted energy savings are based on past activity, current market conditions, and projected sales of evaporative coolers. Proposed savings are estimated on a per unit basis using the projected number of participants. Participation in this product is weather-sensitive. Cooler-than-normal summers have been shown to result in lower participation, as customers may forgo their decision to install a unit or choose to delay purchasing a unit if the weather is mild.

#### Budgets

The budget was developed based on historical and projected participation and the funds needed to promote and administer the product to achieve the associated level of savings. Much of the product's budget goes towards customer rebates for the purpose of lowering the cost of purchasing energy-efficient evaporative cooling equipment. Other key budget categories are related to driving participation, including advertising and promotions, educating customers about

evaporative cooling, trade incentives, improvements in the rebate process, retail store engagement, and events and sponsorships.

## C. Application Process

Customers may self-install, or work with a contractor to install the evaporative cooling equipment.

The application process varies, depending on where and how the customer purchase and installation occurs.

**Traditional rebate process.** When a customer (or contractor) submits the paper or online application, an invoice is required. It is reviewed for accuracy, ensuring that rebate qualifications are met prior to mailing a rebate check. An online application form is available.<sup>1</sup> Invoices or receipts must detail purchased equipment. ~~If the application is not a replacement unit, a receipt for additional components (e.g. remote thermostat, purge pump, supply ducts, roof jack, etc.) must be included, or these items must be detailed on the invoice. If the invoice documentation does not meet the non-replacement criteria, the application may be processed as a replacement and receive a lesser rebate amount.~~

**“Instant rebates” process.** Instant rebates are ~~planned for many~~ available through some retail locations. Customer eligibility will be verified before the rebate coupon code is generated, which is done prior to payment. ~~Multi-ducted, non-replacement premium One standard cooler system rebate per premise per calendar years are is not~~ available through this process; ~~the customer should use the traditional rebate process.~~

~~**“Instant rebates” through wholesalers/distributors process.** Instant rebates are planned for use by trade partners (contractors) for several wholesaler/distributor locations. The customer’s address is verified before the purchase, and a customer email address is required. The contractor must use a valid Xcel Energy contractor ID and be in good standing with PSCo. Further, the contractor must verify that 100% of the instant rebate will be passed on to the customer.~~

Public Service may finalize additional ways to deliver rebates to customers and trade partners in 2020. This may include instant rebates through wholesalers/distributors.

## D. Marketing Objectives & Strategies

The main objective of the Evaporative Cooling product is to promote the use of efficient evaporative coolers to customers with older, less-efficient models, and to promote efficient evaporative coolers in place of air conditioning to customers installing a home cooling system for the first time. Public Service propels customer awareness of the product through a variety of sources including targeted marketing communications, advertising, events and sponsorships, the

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<sup>1</sup> [www.xcelenergy.com/digital\\_application](http://www.xcelenergy.com/digital_application)

Xcel Energy website,<sup>2</sup> email and social media, HVAC contractors and retailers. Strategic marketing efforts may include:

- Newspaper and print **advertising**, typically in the spring and summer;
- Point of Purchase displays at big box stores and appliance retailers;
- Targeted customer emails, newsletters, bill messaging and social media;
- Internet ads and search engine promotions (~~Google, Yahoo, Bing~~);
- Sponsorships and events; and
- Contractor education, training and incentives.

Public Service has partnered with numerous equipment manufacturers, distributors, dealers and retailers in the state of Colorado who receive our product literature and assistance promoting the product. Contractors and builders-other stakeholders in Colorado are ~~an~~ essential partners in creating customer awareness of Evaporative Cooling and, thus, will receive information on any product changes directly.

In addition, Public Service utilizes a trade relations manager to assist with communicating product details to the dealer and distributor channels. Other activities of the channel manager may include training sessions on product specifics, product-related trade partner meetings, and meetings with manufacturers and manufacturers' representatives.

## **E. Product-Specific Policies**

Customers must purchase qualifying units in order to be eligible for a rebate. Units are pre-qualified for the product based primarily on manufacturer specifications. Equipment is added to the list of qualifying units as Public Service is notified of their release.

Qualifying equipment must be new and be a permanently installed direct or direct/indirect, and one or two-stage evaporative cooling unit. Portable coolers or systems with vapor compression backup are not eligible, nor is used or reconditioned equipment. Customers can replace an existing evaporative cooler or central A/C system, or purchase a first-time installed evaporative cooling unit, to qualify for a rebate.

There are three equipment tiers available for the Evaporative Cooling product:

- Standard System/Tier 1: Qualifying evaporative cooling units with airflow output of 2,500 cubic feet per minute (CFM) or greater.
- Premium System/Tier 2: Qualifying evaporative cooling units with media saturation effectiveness of 85% or greater. The units must be manufactured with remote thermostat control and periodic purge water control (e.g. purge pump) or have these two items purchased and included on an invoice.
- Whole House System/Tier 3: In addition to 85% saturation effectiveness, remote thermostat control and periodic purge water control, qualifying evaporative cooling units

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<sup>2</sup> <http://www.xcelenergy.com/staycool> and <http://www.xcelenergy.com/co-evap>

must be indirect/directly cooling the whole house with a minimum of three supply ducts installed.

## **F. Stakeholder Involvement**

Public Service works with customers, trade partners, wholesalers/distributors, retailers, manufacturers, and manufacturer representatives. Trade partners are defined as Colorado contractors who provide equipment and installation of evaporative coolers to customers. Wholesalers/distributors are defined as businesses such as Johnstone Supply, Winair, and Hercules who provide evaporative cooling and other HVAC equipment to trade partners. Retailers include “big box” stores such as The Home Depot, ~~and~~ Lowe’s ~~and~~ Sutherlands, and may also include wholesalers/distributors who sell direct to customers as well as trade partners. Each stakeholder is important to the success of the product.

## **G. Rebates & Incentives**

Customers must purchase qualifying units in order to be eligible for a rebate. A list of pre-approved, qualifying evaporative coolers is updated regularly, based on information provided by the manufacturers, manufacturer representatives, and wholesaler/distributors, and made available to all stakeholders.

Customers may receive up to a \$1,200 rebate, depending on the equipment purchased. The rebate cannot exceed the amount paid. There is a limit of two evaporative cooler rebates per premise per calendar year.

Taxes and ancillary items, such as hoses, are not covered by the rebate.

~~Qualifying equipment must be new and be a permanently installed direct, indirect or two-stage evaporative cooling unit. Portable coolers or systems with vapor compression backup are not eligible, nor is used or reconditioned equipment. Customers can replace an existing evaporative cooler or purchase an evaporative cooler for the first time at their premise (i.e., non-replacement) to qualify for a rebate.~~

~~There are three equipment categories available for the Evaporative Cooling product:~~

- ~~• Standard system: Qualifying evaporative cooling units with airflow output of 2,500 cubic feet per minute (CFM) or greater.~~
- ~~• Premium system: Qualifying evaporative cooling units with Media Saturation Effectiveness of 85% or greater. The units must include a remote thermostat and a periodic purge pump.~~
- ~~• Multi ducted premium system: In addition to 85% Saturation Effectiveness, remote thermostat control and periodic purge water control, qualifying evaporative cooling units~~

~~must be indirect/directly cooling the premise with a minimum of three supply ducts installed.~~

- ~~Standard System evaporative coolers: The replacement and non-replacement rebate amount is ~~\$200~~\$300, and the non-replacement rebate is \$400. Taxes and ancillary items, such as hoses, are not covered by the rebate.~~
- ~~Premium System evaporative coolers: The replacement and non-replacement rebate amount is ~~\$600~~\$675, and the non-replacement rebate is \$800.~~
- ~~Multi-ducted premium system evaporative coolers: The replacement and non-replacement rebate is ~~\$600~~\$1200, and the non-replacement rebate amount is \$1,200 to the customer.~~

~~Taxes and ancillary items, such as hoses, are not covered by the rebate.~~

Trade incentives are provided to trade partners who have invoiced customers for equipment and installation of evaporative coolers. Trade partners will receive trade incentives when their customers receive an evaporative cooling rebate, only when their PSCo-provided trade ID number is included in the rebate application process.

Rebates and Incentives 2019-2020		Customer rebate	Trade incentive
Standard evaporative cooler systems	Replacement	<del>\$200</del> <u>\$300</u>	\$100
	Non-replacement cooler purchase	\$400	<del>\$100</del>
Premium evaporative cooler systems	Replacement	<del>\$600</del> <u>\$675</u>	\$150
	Non-replacement purchase	\$800	<del>\$150</del>
Multi-ducted premium evaporative cooler systems	Replacement	<del>\$600</del> <u>\$1200</u>	\$150
	Non-replacement	\$1,200	<del>\$150</del>