

➤ Lighting – Small Business

A. Description

The Lighting – Small Business product offers prescriptive and custom rebates to Public Service’s small- and mid-sized business customers who install qualifying energy efficient lighting equipment in existing buildings with a peak demand of 400kW or less.

The product aims to overcome specific barriers that often prevent small businesses from investing in energy efficiency measures, such as:

- Limited knowledge of energy savings potential in lighting system upgrades;
- Limited time to complete all the necessary steps to upgrade lighting system;
- Limited capital to make lighting improvements;
- Uncertainty of value when facility is not owner-occupied; and/or
- Limited access to qualified contractors due to small margins on some projects.

To address these issues, the product consists of the following components:

1. *Outreach* – Intensive outreach by a third-party implementer will bring resources and support to the customer, rather than relying on the customer to seek them out.
2. *Onsite audit* – Each customer will be offered an on-site facility audit through the Business Energy Analysis product to identify lighting energy savings opportunities to save money and improve light quality. The audit is designed to be a simple, one-stop service that keeps customer time requirements to a minimum. The customer will receive a report that outlines the recommended lighting upgrades, rebates and the associated estimated energy savings.

Substantial rebates are offered to offset the cost of installing qualifying energy efficient fixtures and lamps, as follows:

Direct Install for Immediate Savings – Customers with an annual peak demand of less than 100 kW will qualify for participation in the direct install (DI) component of the product. While onsite for the audit, the customer will receive free installation of the following energy savings measures, where applicable:

- a. Select screw-in LED lamps; and
- b. Aerators in public restrooms and kitchen sinks.
- ~~b~~.c. [Select Energy Star certified smart thermostats](#)

[Customers with an annual peak demand greater than 100 kW can also receive a direct-installation of select Energy Star smart thermostats; however, additional costs to the customer may apply.](#)

Prescriptive Lighting Rebates – See Lighting Efficiency product for details, only retrofit projects are offered through Lighting – Small Business.

Business LED Instant Rebates – See Lighting Efficiency product for details.

Custom Lighting Rebates – See Lighting Efficiency product for details.

3. *Connect with a contractor* – The product will connect the customer to a network of qualified contractors, approved by the Company, and assist the customer, as needed, in hiring a contractor.
4. *Install lighting upgrades* – The third-party implementer serves as a liaison between the customer and the contractor, maintaining engagement with the customer to ensure that recommended measures get implemented.
5. *Processing Application* – The third-party implementer will assist the customer in reviewing and submitting their application(s) for rebate.

B. Targets, Participants & Budgets

Targets and Participants

The targets for this product were derived from historical data, market data, and equipment deemed savings values in Colorado. Trade participation and feedback, and lighting industry economic and market trends also influenced estimates.

Budget

The forecasted expenditures in 2019 and 2020 for this product are based on projected participation levels, promotion, and administrative expenses. The majority of the product costs are driven by third-party costs for implementation of the product, in addition to customer rebates and promotional expenses.

C. Application Process

The Company promotes the Lighting – Small Business product primarily through the outreach efforts of a third-party implementer. Secondary outreach is likely to occur through the Company's Account Managers, contracted trade allies, and/or other marketing efforts such as mailings, newsletters, and the Company website.

The BSC is also available for all small- and mid-sized business customers, who may inquire about lighting rebates. The BSC may refer new leads to the third-party implementer for follow-up. The third-party implementer is expected to aggressively promote the product to increase participation.

Customers are encouraged to receive an energy audit through the Business Energy Analysis product. The third-party implementer will assist customers in reviewing their audit report, identify the lighting opportunities the customer wants to pursue, connecting the customer with a contractor, applying for rebates for qualifying equipment, reviewing completed applications, and ensuring that there is a detailed invoice for the newly installed equipment.

The third-party implementer will also assist customers in applying for a Custom Efficiency lighting rebate for projects that do not fit into the prescriptive rebate offerings. Project analysis and preapproval of Custom Efficiency lighting projects is required prior to equipment purchase and installation; the third-party implementer assists the customer with that process.

After the customer has installed the equipment, the rebate application and invoice must be submitted to the Company within 12 months of the invoice date. Once the paperwork is completed and submitted, rebate checks will be mailed to the customer as indicated on the rebate application. Once completed paperwork is submitted, rebate payments are usually issued in six to eight weeks.

D. Marketing Objectives & Strategies

The key marketing objective is to raise awareness, interest and participation in the product, contributing to achievement of the Company's energy savings goal. The product is marketed primarily through the third-party implementer—they are required to meet the implementation targets for which they are contracted and they will deliver the marketing strategies needed to meet them.

E. Product-Specific Policies

Lighting – Small Business has a number of product-specific policies:

- The product is for customers with peak electricity demand of 400kW or less; customers with an annual demand of 100 kW or below may qualify for direct installation of specific measures at the time of the audit (as described above). [Customers with an annual peak demand greater than 100 kW can also receive a direct-installation of select Energy Star smart thermostats; however, additional costs to the customer may apply.](#)
- All rebated equipment must be new, meet all product rules and requirements, and the application must be submitted within 12 months of the invoice date.
- The replacement of fixtures must provide equivalent lighting levels between the baseline and proposed scenarios and result in energy savings.
- Preapproval is required for Custom Efficiency small business lighting projects prior to the purchase and installation of lighting equipment. The customer has up to 24 months after the preapproval date to implement the lighting project. Custom projects that exceed that timeframe, or have significant equipment deviations from the original plan, require reanalysis and approval.

F. Stakeholder Involvement

The third-party implementer has considerable influence on the success of the product, as they will be the face of the Company to potential participants. The Company expects that the third-party implementer will engage stakeholders in the implementation of this product.

Lighting trade partners are an important stakeholder as they will be performing the lighting retrofits as well as promoting the product to customers. The Company expects the third-party implementer to continue to grow the trade partner list of qualified contractors available for lighting retrofits. The trade partners on this list will have a vested interest in the product's success, as they will benefit from the work generated by the audits.

Stakeholders are also involved in the product through the Lighting Advisory Board and quarterly DSM Roundtable Meetings. The Lighting Advisory Board was formed as a collaborative effort between several key lighting professionals and the Company's management team. The objectives of the board are to identify gaps in the product offerings, suggest areas of improvement, and to offer a forum for open discussion of lighting topics. The Board will continue to meet on a regular basis, or as long as needed.

G. Rebates & Incentives

Lighting – Small Business offers rebates through for retrofit prescriptive components, and/or custom efficiency. Third-party implementer project management services and direct installations will be performed at no additional cost to the customer.