Heating Efficiency Program
COLORADO
Commercial Heating Efficiency

Our Heating Efficiency program is designed to help Colorado businesses earn rebates and save costs through natural gas and electric efficiency improvements to heating systems.

This guide can help you understand how to achieve an energy-efficient environment and highlights rebates for new or upgraded equipment.

Keeping costs down is crucial to maintaining your bottom line. Heating efficiency is the most effective way to trim natural gas costs, and maintain a productive and comfortable working environment. Heating equipment upgrades and repairs can contribute to your mechanical safety and operational reliability, while improving your organizational sustainability efforts.

Whether you’re a small, mid-size or large business, try these things to boost your financial bottom line and minimize equipment maintenance costs:

• Upgrade your boiler, furnace or water heater with qualifying, new, high-efficiency equipment
• Reduce heat loss by insulating pipes
• Maintain your boiler with regular tune-ups for optimal efficiency, emissions and safety
• Repair or replace steam traps to minimize heat loss
• Include system improvement add-ons such as modulating burners, controls, and stack dampers
• Come to us for energy advice and help analyzing where to start first for best payback

Customers must receive natural gas service to qualify for Heating Efficiency rebates with natural gas being the primary fuel, but systems with dual-fuel capacity can qualify. To qualify for furnace fan rebates you must be an electric service customer. Customers cannot be Gas Transport.

For more information on energy-saving opportunities, contact your account manager or our Business Solutions Center at 855.839.8862 or energyefficiency@xcelenergy.com. Visit us online at xcelenergy.com/HeatingEfficiency.
**Turn ‘cold’ into ‘cold hard cash’**

Xcel Energy’s rebate programs help make replacing or upgrading your gas-fired boiler, furnace and auxiliary equipment financially feasible.

Today’s high-efficiency heating equipment is easier to operate and a great way to combat fluctuating energy costs. Plus, you can take advantage of our generous rebates to help you get started on the road to energy savings. The sooner your new equipment is installed, the sooner you start saving.

**Rebates:**
Cash rebates are available for new installation and upgrading natural gas heating systems. Only Xcel Energy natural gas customers are eligible. This includes:

<table>
<thead>
<tr>
<th>Equipment Type</th>
<th>Details</th>
<th>Rebate Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hot water boiler ≥ 85% efficient (minimum efficiency)</td>
<td></td>
<td>$750 per million BTUh</td>
</tr>
<tr>
<td>Hot water boiler ≥ 92% efficient (minimum efficiency)</td>
<td></td>
<td>$3,500 per million BTUh</td>
</tr>
<tr>
<td>Water heater &gt;75,000 BTUh / ≥ 92% efficient (minimum efficiency)</td>
<td></td>
<td>Prorated $200 per 100,000 BTUh</td>
</tr>
<tr>
<td>Furnace</td>
<td></td>
<td>$80 for 92% AFUE; $120 for 94% AFUE</td>
</tr>
<tr>
<td>Pipe Insulation</td>
<td></td>
<td>$5 – $9 per linear foot per inch of pipe diameter and based on average fluid temperature.</td>
</tr>
<tr>
<td>Electronically Commutated Motor (ECM) for furnace fan</td>
<td></td>
<td>$100 per motor</td>
</tr>
<tr>
<td>Unit Heaters</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Condensing Unit 83% efficient</td>
<td></td>
<td>$50 per 100,000 BTUh</td>
</tr>
<tr>
<td>Condensing Unit Heater &gt; 90% efficient</td>
<td></td>
<td>$500 per 100,000 BTUh</td>
</tr>
<tr>
<td>Infrared Heater 80% efficient</td>
<td></td>
<td>$125 per 100,000 BTUh</td>
</tr>
<tr>
<td>Modular burner control ≥ 5:1 turndown</td>
<td></td>
<td>$750 per million BTUh; $2,000 maximum</td>
</tr>
<tr>
<td>Outdoor air reset controls</td>
<td></td>
<td>$250 per million BTUh</td>
</tr>
<tr>
<td>Stack dampers</td>
<td></td>
<td>$250 per million BTUh</td>
</tr>
<tr>
<td>Steam trap audit; repair and replacements</td>
<td></td>
<td>Free steam trap audit; 25% of trap cost up to $250 per trap, maximum $10,000 per facility</td>
</tr>
<tr>
<td>Boiler system tune-ups</td>
<td></td>
<td>Prorated $250 per million BTUh, per boiler every two years only.*</td>
</tr>
</tbody>
</table>

*Qualifying boilers with input capacity of 1 MMBTU/h (1 million BTU per hour). Rebate amounts will be prorated based on boiler input capacity.

**Process load is defined as the percentage of natural gas used for anything other than space heating and domestic hot water heating—such as manufacturing, industrial, and commercial processes. Boilers with greater than 30% process load must apply for Custom Efficiency rebates, which require preapproval prior to purchase and installation.
Turn up the heat with a boiler tune-up

Is your gas consumption unusually high compared to previous years? If yes, this could be a sign that your boiler needs a tune-up.

Regular use of your boiler can cause combustion deposits to accumulate on heat transfer surfaces. These deposits act as an insulating layer and easily prevent your system from operating at its optimal efficiency.

Tuning up a boiler allows for an optimal air-fuel mixture that aligns with the operating range of your specific boiler, meaning that less fuel is wasted and hazardous emissions of air pollutants are reduced.

Regular tune-ups are one of the most effective ways to increase the efficiency of your boiler while extending the life of your heating system.

Rebates:
Use our EXPRESS Boiler Tune-Up application to receive rebates that can help offset your investment. Our rebate covers $250 per million BTUh (prorated), per boiler every two years only.

New boilers will decline in performance without regular maintenance, so our tune-up rebates qualify 12 months after installation of new equipment.
Choose energy-efficient water heaters and save

Most commercial buildings use storage-type hot water heaters for domestic hot water and space heating. Tankless water heaters, also known as demand-type or instantaneous water heaters, provide hot water only as it is needed. They don’t produce the standby energy losses associated with storage water heaters, which can save you even more energy and money. Xcel Energy provides rebates for both types of high-efficiency water heaters.

How much do you pay for space heating and domestic water heating?
It depends on your business, but according to the U.S. Energy Information Administration, it breaks down as follows:

<table>
<thead>
<tr>
<th>Industry</th>
<th>Space heating as % of energy bill</th>
<th>Domestic water heating as % of energy bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schools</td>
<td>34%</td>
<td>26%</td>
</tr>
<tr>
<td>Colleges/universities</td>
<td>28%</td>
<td>25%</td>
</tr>
<tr>
<td>Grocery/supermarkets</td>
<td>17%</td>
<td>3%</td>
</tr>
<tr>
<td>Limited-service motels</td>
<td>31%</td>
<td>30%</td>
</tr>
<tr>
<td>Restaurants</td>
<td>22%</td>
<td>17%</td>
</tr>
<tr>
<td>Office buildings</td>
<td>39%</td>
<td>6%</td>
</tr>
<tr>
<td>Hospitals</td>
<td>42%</td>
<td>22%</td>
</tr>
<tr>
<td>Hotels</td>
<td>35%</td>
<td>15%</td>
</tr>
</tbody>
</table>

No matter how much your heating equipment contributes to your energy bill, increasing efficiency is a green choice—lowering your energy use and environmental impacts, and ultimately saving you money.

Electronically Commutated Motors add savings

An Electronically Commutated Motor (ECM) powers the fan that moves air through the centralized heating and/or cooling system. ECMs will be validated via Original Equipment Manufacturer (OEM) specification sheets or OEM websites. Submitting an OEM spec sheet with your application is encouraged. Customers who purchase a non-qualifying furnace that includes a factory-installed ECM may receive the ECM rebate. Customers who purchase a new ECM to add to an existing forced air gas furnace may receive the ECM rebate.
Protecting your pipes

Did you know that insulated hot water pipes can typically reduce energy loss by 90%?* To avoid energy waste:

- Repair or replace damaged or wet insulation immediately to avoid compromising the insulation value.
- Eliminate sources of moisture prior to insulation replacement by making sure values, external pipes, tubes or adjacent equipment isn’t leaking.

It’s important to remember that after steam lines are insulated, changes in heat flows can influence other parts of your steam system.

Rebates:
Rebates are available for natural gas customers who purchase natural gas at Xcel Energy retail rates and who add insulation to existing bare pipes or replace damaged, existing insulation.

And, if you’re only insulating your pipes, save time by using our EXPRESS application.

Pipe insulation rebates are $5 to $9 per linear foot per inch of pipe diameter and based on average fluid temperature.

Rebates are not available for insulation installed on new construction projects. Other pipe insulation rebates may be available through Custom Efficiency, which requires pre-approval prior to purchase.

Steam traps: Don’t let the savings escape

Many businesses use steam to heat their facilities. But when steam traps leak, energy and savings can go right out the window.

Steam traps are the valves that control the release and containment of steam throughout the heating system. Failed traps will produce a steady whistle, while traps that are operating normally will produce a series of distinct sounds as they accumulate condensate, open, discharge condensate and then close again.

According to the U.S. Department of Energy, if your business utilizes a steam system and you’ve not had your steam traps maintained for three to five years, 15% to 30% of the traps may have failed and can result in significant steam losses and higher utility bills.

Steam trap audit and rebates:
Free steam trap audit and rebates for steam trap repair or replacement equal 25% of trap cost up to $250 per trap; maximum $10,000 per facility. Orifice traps and trap cleaning do not qualify.

Unit and radiant heaters save electricity

Unit heaters offer flexibility and can be used in a variety of engineered systems to heat spaces where there is a need for overhead installation. High-efficiency unit heaters save energy by extracting more of the heat from the fuel.

Infrared heaters, or radiant heaters, are a popular heating technology for a variety of applications for good reason. Radiant heaters typically heat the floor rather than the air and the warm floor heats the space. The result is a more uniform and comfortable heat because there is less moving, drafty air. As a result, space temperatures can be lower while still providing the same level of comfort.

Condensing unit heaters effectively use more of the available combustion heat, making them an energy-efficient solution for a variety of commercial spaces. By installing a 90% efficient (or better) high-efficiency condensing unit, energy savings can reach 11% to 18%.

Non-condensing unit The more common unit heater found in recreation, industrial and mechanical repair.

Rebates:
• Infrared heaters - $125 per 100,000 BTUh for an 80% more efficient (or better) system
• Condensing unit heater - $500 per 100,000 BTUh for a 90% (or better) more efficient unit
• Non-condensing unit heater - $50 per 100,000 BTUh for an 83% (or better) more efficient unit
Add-ons to help you save more

You can save even more energy and money by adding auxiliary equipment to your heating components, including:

1. Modular burner controls with a turndown ratio of 5:1 or more
2. Outdoor air reset controls
3. Stack dampers

Rebates:
- Modular burner control $\geq$ 5:1 turndown - $750$ per million BTUh; $2,000$ maximum
- Outdoor air reset controls - $250$ per million BTUh
- Stack dampers - $250$ per million BTUh

Energy saving tip
Establish a preventative maintenance program for your heating equipment and systems. Regularly clean all heat exchanger surfaces and repair leaks in piping, air ducts, coils and fittings.

Get your boiler inspected today!

Make sure to get your boiler inspected regularly too. This helps ensure safety and reliability. The State of Colorado requires all businesses to have their boiler inspected every two years.

When was your boiler last inspected? To find out, simply visit colorado.gov/pacific/ops/BoilerDatabase today.
Other tools and resources

Energy Efficiency Financing – Lending resources can help lower your up-front project costs
We know that investing in energy efficiency upgrades can provide you with a favorable return, in part because rebates can help reduce the costs of installing qualified energy efficiency measures. Sometimes, though, our business customers may need assistance finding the capital required to help them invest in energy efficiency upgrades. That’s why we have identified and coordinated with several organizations and financial institutions to provide loans directly to qualifying business customers.

Getting started is easy. Check out xcelenergy.com/BusinessEnergyEfficiencyFinancingCO for more information or call the Xcel Energy Business Solutions Center at 855.839.8862.

Business Energy Advisor – Find energy-saving opportunities tailored to your business
Your business is full of opportunities to save money and energy. The trick is to identify and capitalize on those opportunities. Our Energy Efficiency Specialists offer comprehensive resources, energy conservation tips and strategies and will provide you with a wealth of information to help your business cut costs and conserve energy.

Visit xcelenergy.bizenergyadvisor.com to learn what you can do today and in the future to help you save money for years to come.

Energy management system – Save more by eliminating energy waste
Managing energy use with a control system can increase comfort and prolong the life of your equipment while eliminating energy waste. Whether you’re installing a new Energy Management System (EMS) or increasing capabilities by adding control points to your current EMS system, our rebates can shorten the payback period and improve the return on your investment.

Do you have a question about what an EMS can do for you? Contact your Xcel Energy account manager, or call an energy efficiency specialist at 855.839.8862.

Uncover custom rebate options – Engineering a custom rebate specific to your energy challenges
Did you know rebates are available for improvements such as using a pool cover or installing an awning, window films or solar screen shades? Our Custom Efficiency program gives you rebates to help offset your costs for almost any type of energy-saving project, from equipment installation to process improvements.

Talk to your account manager or reach out to one of our energy efficiency specialists at 855.839.8862 or via email at energyefficiency@xcelenergy.com to determine if your specific project is eligible for a rebate.