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HOW TO APPLY

PROGRAM ELIGIBILITY REQUIREMENTS

1. Be a non-residential City of Palo Alto Utilities (CPAU) customer; i.e., must be currently on a commercial rate schedule for electric and/or gas utility services
2. Submit an online application and be approved prior to purchasing equipment
3. Rebates are for retrofit and retrocommissioning measures only; i.e., new construction projects are not eligible
4. Agree to Terms and Conditions (page 16)

APPLY FOR STANDARD REBATES

Standard rebates are the simplest and fastest way to receive rebates.

1. Before You Submit Your Application

Make sure your project complies with the Program Eligibility Requirements, Terms and Conditions (page 16)*, and specifications and eligibility requirements for the equipment that you are applying for. Equipment must be listed in the catalog to receive rebates.

2. Submit an [Online Rebate Application](#)

Only completed applications will be considered.

3. Get Approved for Installation

You will be notified via email within the next 10 days if your project is approved. Please wait to purchase equipment until you hear back.

4. Apply for Building Permits and/or Planning Entitlements

Visit [Planning and Development Services' Online Permit Services](#) to start your permit and/or planning entitlement. Building Permits must be issued before any installation can begin.

5. Install Equipment and Upload Supporting Documentation

Purchase and install equipment within 180 days** of your approval. After installation, use the link in your approval email to upload invoices, permits, and supporting documentation.

6. Receive Rebate

We'll verify your documents and send your rebate check within 2 -4 weeks.

*Customers applying for the boosted HVAC incentive must comply with the additional Terms and Conditions on page 17.

** Customers applying for the boosted HVAC incentive must follow the timeline listed in the Terms and Conditions on page 17.

APPLY FOR CUSTOM REBATES

Custom rebates require additional inspections and documentation.

1. Before You Submit Your Application

Make sure your project complies with the Program Eligibility Requirements, Terms and Conditions (page 16), and the "Custom Rebates" section (page 15).

2. Get an Energy Savings Report Stamped by a Licensed Engineer

Consult a licensed engineer on upgrade measures for an energy savings reports and have it stamped by the engineer.

3. Submit an [Online Rebate Application](#)

Only completed applications will be considered.

4. Apply for Building Permits and/or Planning Entitlements

Visit [Planning and Development Services' Online Permit Services](#) to start your permit and/or planning entitlement. Building Permits must be issued before any installation can begin.

5. Schedule Pre-Installation Inspection: Get Approval for Installation

You will be notified via email within the next 10 days to schedule a pre-installation inspection. After this inspection, you will be notified via email if your project is approved for installation. Please wait to purchase equipment until you hear back.

6. Install Equipment and Upload Supporting Documentation

Purchase and install equipment within 180 days of your approval. After installation, use the link in your approval email to upload invoices, permits, and supporting documentation

7. Schedule Post-Installation Inspection and Receive Rebate

We will schedule a post-installation inspection to verify your project energy savings. Rebates are subject to change based on our verification. After verification, we'll send your rebate check within 2 - 4 weeks.

ELECTRIFICATION REBATES

CPAU encourages our business customers to replace natural gas-fired equipment with efficient electric alternatives. Electrification of gas equipment lowers the building’s greenhouse gas emissions and also helps to improve regional air quality.

Product Code	Equipment	\$Rebate/Unit	Eligibility Requirements
BE01	Electrification - packaged or split system heat pump	\$3,500/ton limited time boosted incentives. Details available on page 17.	<ul style="list-style-type: none"> • Must replace an existing less efficient packaged or split AC and natural gas furnace. The existing furnace equipment must be removed and disposed of rather than refurbished and sold. • Existing gas line(s) serving removed gas equipment must be capped off and removed refrigerant must be handled and disposed in accordance with all state and local regulations including but not limited to the California Building Energy Efficiency Standards (Title 24) and the Appliance Efficiency Regulations (Title 20), the California Building Standards Code, the California Plumbing Code, and the National Electrical Code (NEC). • The packaged or split heat pump must meet the minimum efficiency requirements: <ul style="list-style-type: none"> • Less than 65,000 BTUH: minimum 15 SEER and 8.2 HSPF • 65,000 to 134,000 BTUH: minimum 14 IEER and 3.4 COP • Greater than 134,000 BTUH: please apply for a "Custom Rebate" (see page 16). • The following information must be submitted: <ol style="list-style-type: none"> 1. Did the site require any electric infrastructure upgrades for the proposed electrification measure? If yes, provide the itemized invoices with infrastructure upgrade costs. 2. Please provide a photo(s) of the nameplate of installed equipment
BE02	Electrification - heat pump water heater (HPWH) 45 - 55 gallons	\$2,500	<ul style="list-style-type: none"> • Must replace an existing gas tank water heater • New heat pump water heater must meet the uniform energy factors (UEF) based on the storage capacity listed below: <ul style="list-style-type: none"> • 45 to 55 gallons: minimum 3.31 UEF • 55.1 to 75 gallons: minimum 3.33 UEF • Greater than 75 gallons: minimum 3.42 UEF • The following information must be submitted: <ol style="list-style-type: none"> 1. Did the site require any electric infrastructure upgrades for the proposed electrification measure? If yes, provide the itemized invoices with infrastructure upgrade costs. 2. Please provide a photo(s) of the nameplate of installed equipment
BE03	Electrification - HPWH 55.1 - 75 gallons	\$3,000	
BE04	Electrification - HPWH ≥ 75.1 gallons	\$3,500	

ELECTRIFICATION REBATES

Product Code	Equipment	\$Rebate/Unit	Eligibility Requirements
BE05	Electrification - fryer	\$5,000	<ul style="list-style-type: none"> • Must replace an existing gas equivalent. • Electric fryers must meet ENERGY STAR® Version 3.0 specifications. • Convection oven must meet ENERGY STAR® Version 2.2 specifications. • The following information must be submitted: <ol style="list-style-type: none"> 1. Did the site require any electric infrastructure upgrades for the proposed electrification measure? If yes, provide the itemized invoices with infrastructure upgrade costs. 2. Please provide a photo(s) of the nameplate of installed equipment
BE06	Electrification - convection oven <ul style="list-style-type: none"> • Half size 	\$1,200	
BE07	Electrification - convection oven <ul style="list-style-type: none"> • Full size 	\$2,500	

CUSTOM ELECTRIFICATION REBATES

Custom electrification rebates are available for projects that do not qualify for prescriptive electrification rebates. This incentive is open to technologies such as heat pump pool heaters, heat recovery chillers as well as customer processes that are currently fueled by natural gas. The rebate is calculated based on the net energy savings using this equation: $[Net\ kWh-e] = [kWh_{gas_1}] + [kWh_{elec_1}] - [kWh_{electric_2}]$

Where:

$[kWh_{gas_1}]$ = Annual gas energy used by the existing gas equipment converted from therms to kWh using the conversion factor of 29.3

$[kWh_{elec_1}]$ = Annual electric energy used by the existing equipment in kWh

$[kWh_{elec_2}]$ = Annual electric energy used by the proposed electric equipment in kWh

$[Net\ kWh-e]$ = Annual net energy savings in kWh

Custom electrification rebates are offered at \$0.25/kWh-e.

To be eligible for custom electrification rebates, the measure(s) should conform to the following rules:

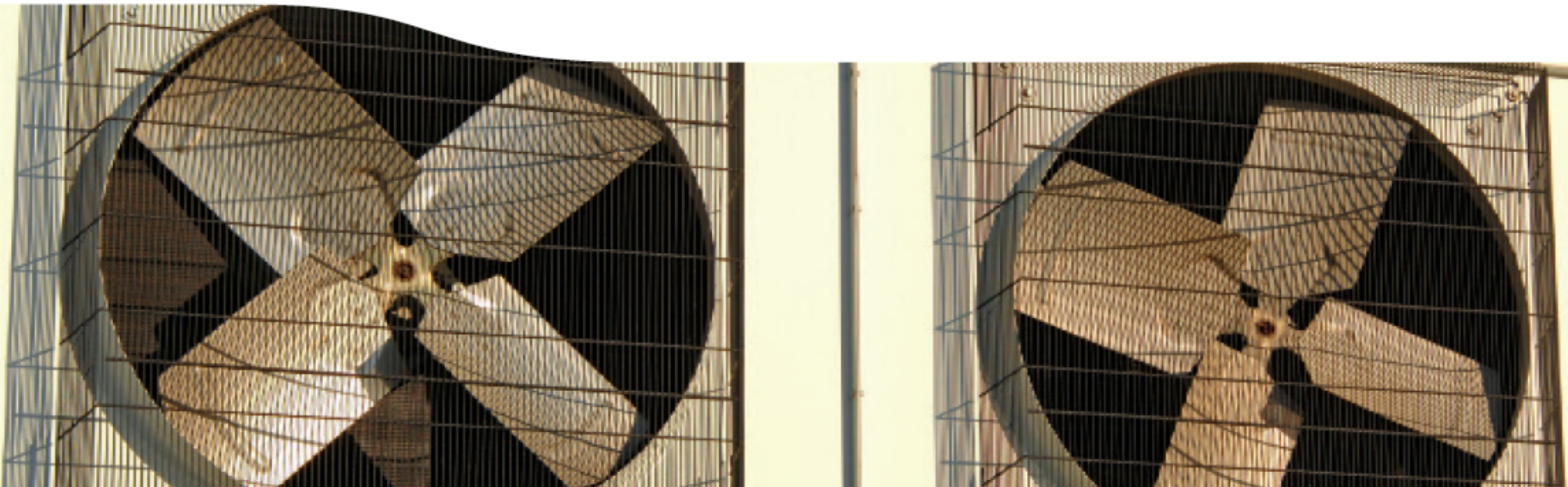
- The measure or project must eliminate natural gas usage.
- The measure or project must not be based on behavioral changes.
- The calculation of net energy savings (kWh-e) must be stamped by a professional engineer licensed in the State of California in an applicable discipline.
- A Measurement and Verification (M&V) Plan should be written and agreed upon by all parties. Rebate disbursement is contingent upon the successful execution of the M&V plan.
- All projects must be pre-approved to be eligible for incentives.
- Projects receiving electrification incentives are not eligible for energy efficiency incentives or rebates.
- Incentives are capped at 50% of the project cost, or \$100,000, whichever is less.

Application Process

- Please refer to the application process under "Custom Rebates" on page 15.

CHILLERS AND HEAT REJECTING EQUIPMENT

Chillers and heat rejecting equipment are under the custom rebate process. Custom electric rebate for measure retrofits is calculated at \$0.15/kWh and \$1.00/therm. Rebate for retrocommissioning is calculated at \$0.10/kWh. For specific requirements for custom rebates, please refer to "Custom Rebates" on page 15.



HEATING VENTILATION AND AIR CONDITIONING (HVAC) EQUIPMENT

HVAC equipment are under the custom rebate process. Variable Speed Drives (VSD) do not require an engineer's stamp but will require the use of the CPAU VSD calculators for fans and pumps (download below). Rebate for measure retrofit is calculated at \$0.15/kWh; rebate for retrocommissioning is calculated at \$0.10/kWh.

[HVAC Fan VSD Rebate Calculator](#)

[Parking Garage Fan VSD with CO₂ Sensor Rebate Calculator](#)

[Pump VSD Rebate Calculator](#)

For specific requirements for custom rebates, please refer to "Custom Rebates" on page 15.

Product Code	Equipment	\$Rebate/Unit	Eligibility Requirements
BE01	Electrification - packaged or split system heat pump	\$3,500/ton limited time boosted incentives. Details available on page 17.	<ul style="list-style-type: none"> • Must replace an existing less efficient packaged or split AC and natural gas furnace. • The existing furnace equipment must be removed and disposed of rather than refurbished and sold. Existing gas line(s) serving removed gas equipment must be capped off and removed refrigerant must be handled and disposed in accordance with all state and local regulations including but not limited to the California Building Energy Efficiency Standards (Title 24) and the Appliance Efficiency Regulations (Title 20), the California Building Standards Code, the California Plumbing Code, and the National Electrical Code (NEC). • The packaged or split heat pump must exceed the minimum efficiencies: <ul style="list-style-type: none"> • Less than 65,000 BTUH: minimum 15 SEER and 8.2 HSPF • 65,000 to 134,000 BTUH: minimum 14 IEER and 3.4 COP • Greater than 134,000 BTUH: please apply for a "Custom Rebate"(see page 16). • The following information must be submitted with each electrification rebate application: <ol style="list-style-type: none"> 1. Did the site require any electric infrastructure upgrades for the proposed electrification measure? If yes, provide the itemized invoices with infrastructure upgrade costs. 2. Please provide a photo(s) of the nameplate of installed equipment
HV02	Advanced rooftop HVAC controls	\$150/ton	<ul style="list-style-type: none"> • Addition of a VSD, Advanced Digital Economizer Controller (ADEC) and a CO₂ sensor for existing rooftop packaged HVAC systems to adjust the speed of the supply air fan based on space occupancy needs • Existing system must be a packaged single zone direct expansion (DX) cooling unit with gas heat, cooling only unit, or heat pump. • The existing system must have a constant volume supply fan. • The existing system must have an operable airside economizer installed. • Maintenance and repairs to economizer should be completed prior to or in conjunction with the addition of this measure.

LAUNDRY SYSTEM, PIPE INSULATION, WATER HEATING

Product Code	Equipment	\$Rebate/Unit	Eligibility Requirements
AG06	Ozone laundry system washing machines	\$39.00/pound washing machine capacity (connected to ozone laundry system)	<ul style="list-style-type: none"> Customer must have a natural gas-fired boiler or natural gas water heater that supplies hot water to the on-premise laundry equipment. The ozone laundry system(s) must be a new purchased product and added-on to a new or existing commercial washing machine(s). The ozone laundry system(s) must transfer ozone into the water through Venturi Injection or Bubble Diffusion. <p>Application Process</p> <ul style="list-style-type: none"> For hotel customers, total number of guest rooms must be provided on the invoice. Must include a manufacturer's specification sheet documenting manufacturer name, equipment model, and ozone laundry system's serial number(s) with your application. Must include total washer capacity in pounds for operating washer units with ozone laundry system(s) connected with your application.
WH09	Commercial steam trap any pressure	\$50.00/unit	<ul style="list-style-type: none"> Commercial steam traps are for end-use customers in commercial facilities such as dry cleaners. New commercial steam traps must replace, one-for-one, existing failed or older steam traps that have been in service for a minimum of five years. Must include a manufacturer's specification sheet for the steam trap that is replacing the existing trap and invoice for purchase with application.
WH10	Pipe insulation <ul style="list-style-type: none"> 1" pipe Low pressure (<15 psig) steam 200 - 250F 	\$4.00/linear feet	<ul style="list-style-type: none"> One or two inches of fiberglass, foam, or calcium silicate insulation must be added to existing, nonresidential pipe systems. The pipes must transfer fluid directly from gas-fired equipment. Must include the manufacturer's name, insulation material type and material k-value rating with your application. <p>Exclusions</p> <ul style="list-style-type: none"> Pipes with pre-existing insulation and new pipe installation are excluded.
WH11	Pipe insulation <ul style="list-style-type: none"> 1" pipe Hot water 120 - 200F 	\$2.00/linear feet	See above WH10 requirements.
WH12	Pipe insulation <ul style="list-style-type: none"> 2" pipe Low pressure (<15 psig) steam 200 - 250F 	\$8.00/linear feet	See above WH10 requirements.

LAUNDRY SYSTEM, PIPE INSULATION, WATER HEATING

Product Code	Equipment	\$Rebate/Unit	Eligibility Requirements
WH13	Pipe insulation <ul style="list-style-type: none"> • 2" or greater • Hot water 120 - 200F 	\$4.00/linear feet	See above WH10 requirements.
BE02	Electrification - heat pump water heater (HPWH) 45 - 55 gallons (gal)	\$2,500	<ul style="list-style-type: none"> • Must replace an existing gas tank water heater. Rebates for the electrification of gas tankless water heater should be calculated using the custom electrification rebate. New heat pump water heater must meet the uniform energy factors (UEF) based on the storage capacity listed below: <ul style="list-style-type: none"> • 45 to 55 gallons: minimum 3.31 UEF • 55.1 to 75 gallons: minimum 3.33 UEF • Greater than 75 gallons: minimum 3.42 UEF • The following information must be submitted: <ol style="list-style-type: none"> 1. Did the site require any electric infrastructure upgrades for the proposed electrification measure? If yes, provide the itemized invoices with infrastructure upgrade costs. 2. Please provide a photo(s) of the nameplate of installed equipment
BE03	Electrification - HPWH 55.1 - 75 gal	\$3,000	See above BE02 requirements
BE04	Electrification - HPWH >= 75.1 gal	\$3,500	See above BE02 requirements

LIGHTING

Lighting rebates are considered a custom rebate and requires the use of the [CPAU Lighting Calculator](#). Rebate for lighting is calculated at \$0.10/kWh. Lighting products must be approved and listed on the [ENERGY STAR® Lights Fixtures](#) or [Design Lights Consortium](#) Lists. For specific requirements for custom rebates, please refer to "Custom Rebates" on page 15.



REFRIGERATION EQUIPMENT

Product Code	Equipment	\$Rebate/Unit	Eligibility Requirements
RE01	Anti-sweat heater (ASH) controls <ul style="list-style-type: none"> • Low temperature 	\$80.00/linear feet	<ul style="list-style-type: none"> • Must sense the relative humidity in the air surrounding the display case and reduce or turn off the anti-sweat heaters of the glass door (if applicable) and door frame during periods of low humidity. • Equivalent technologies that reduce or turn off anti-sweat heaters depending on the level of condensation on the inner glass pane may qualify. • Rebate based on linear footage of the display case. <p>Exclusions</p> <ul style="list-style-type: none"> • Cannot be used in conjunction with the “New Refrigeration” rebates R18, R19, and FS16 - F24
RE02	Anti-sweat heater (ASH) controls <ul style="list-style-type: none"> • Medium temperature 	\$40.00/linear feet	See above RE01 requirements.
RE03	Auto closer for walk-in <ul style="list-style-type: none"> • Cooler doors 	\$40.00/closer	<ul style="list-style-type: none"> • Must be applied to the main insulated door of a walk-in cooler or freezer. • Must be able to firmly close the door when it is within one inch of full closure.
RE04	Auto closer for walk-in <ul style="list-style-type: none"> • Freezer doors 	\$50.00/closer	See above RE03 requirements.
RE18	New refrigeration display case with doors <ul style="list-style-type: none"> • Low temperature 	\$230.00/linear feet	<ul style="list-style-type: none"> • Must replace an existing, open, multi-deck, display case with a new, high efficiency, reach-in unit with standard glass doors with an Electronically Commutated Motor (ECM) fan, T-8 lamps with electronic ballast or LEDs. • New case length must be equal to, or shorter than, the original case. <p>Exclusions</p> <ul style="list-style-type: none"> • This measure is for remote cases only. Deli cases, custom coolers/freezers and walk-in boxes with reach-in doors do not qualify
RE19	New refrigeration display case with doors <ul style="list-style-type: none"> • Medium temperature 	\$75.00/linear feet	See above RE18 requirements.
RE22	Vending machine controller <ul style="list-style-type: none"> • Refrigerated 	\$100.00/control	Existing vending machines must not include integrated occupancy-controlled lighting or compressor cycling.

REFRIGERATION EQUIPMENT

Product Code	Equipment	\$Rebate/Unit	Eligibility Requirements
RE23	Vending machine controller <ul style="list-style-type: none"> • Non-refrigerated 	\$40.00/controller	See above RE22 requirements.
RE24	LED refrigerator display case lighting with occupancy sensor <ul style="list-style-type: none"> • 6 ft • Replacing single-lamp fixture 	\$35.00/door	<ul style="list-style-type: none"> • LED refrigerator display case lighting must be described as “refrigerated display lighting” in product literature • Must be permanently installed with occupancy sensor • Must be center & end mount <p>Exclusions</p> <ul style="list-style-type: none"> • Tubular LED lamps are not eligible • Tubular fluorescent sockets (tombstones) or fluorescent ballasts are not eligible • Common commercial lighting products are not eligible
RE25	LED refrigerator display case lighting with occupancy sensor <ul style="list-style-type: none"> • 6 ft • Replacing multi-lamp fixture 	\$40.00/door	See above RE24 requirements.
RE26	LED refrigerator display case lighting with occupancy sensor <ul style="list-style-type: none"> • 5 ft • Replacing single-lamp fixture 	\$35.00/door	See above RE24 requirements.
RE27	LED refrigerator display case lighting with occupancy sensor <ul style="list-style-type: none"> • 5 ft • Replacing multi-lamp fixture 	\$40.00/door	See above RE24 requirements.

RESTAURANTS, COMMERCIAL KITCHENS, FOOD SERVICES EQUIPMENT

Product Code	Equipment	\$Rebate/Unit	Eligibility Requirements
FS01	Commercial combination oven <ul style="list-style-type: none"> Electric only 	\$1,500/oven	<ul style="list-style-type: none"> Model must meet ENERGY STAR® Version 2.2 specification Combination oven must have a cooking energy efficiency of 55% or greater in steam mode and 76% cooking energy efficiency or greater in convection mode For a list of rebate-qualified products, visit www.energystar.gov/products/business
FS03	Commercial convection oven <ul style="list-style-type: none"> Electric only 	\$500/oven	<ul style="list-style-type: none"> Model must meet ENERGY STAR® Version 2.2 specification Convection oven must have a cooking energy efficiency of 71% cooking energy efficiency or greater Full-size electric ovens (minimum 5 full-size sheet pans) must have an idle rate of 1.6 kW or less Half-size electric ovens must have an idle rate of 1.0 kW or less. For a list of rebate-qualified products, visit www.energystar.gov/products/business



RESTAURANTS, COMMERCIAL KITCHENS, FOOD SERVICES EQUIPMENT

Product Code	Equipment	\$Rebate/Unit	Eligibility Requirements
BE05	Electrification - convection oven <ul style="list-style-type: none"> • Half size 	\$1,200	<ul style="list-style-type: none"> • Must replace an existing gas equivalent. • Electric convection oven must meet ENERGY STAR® Version 2.2 specifications • The following information must be submitted with each electrification rebate application: <ol style="list-style-type: none"> 1. Did the site require any electric infrastructure upgrades for the proposed electrification measure? If yes, provide the itemized invoices with infrastructure upgrade costs. 2. Please provide a photo(s) of the nameplate of installed equipment
BE06	Electrification - convection oven <ul style="list-style-type: none"> • Full size 	\$2,500	See above BE05 requirements.
FS07	Commercial fryer <ul style="list-style-type: none"> • Electric only 	\$650/vat	<ul style="list-style-type: none"> • Electric fryer (vat width less than 18 inches) must meet ENERGY STAR® Version 3.0 specification for energy efficiency or must have a tested heavy-load cooking energy efficiency of 83% and an idle energy rate less than or equal to 800 watts (W) • Electric large vat fryer (vat width greater than or equal to 18 inches) must meet ENERGY STAR® Version 2.0 specification for energy efficiency or must have a tested heavy-load cooking energy efficiency of 80% and an idle energy rate less than or equal to 1,100 W • For a list of rebate-qualified products, visit www.energystar.gov/products/business
BE07	Electrification - fryer	\$5,000/vat	<ul style="list-style-type: none"> • Must replace an existing gas equivalent. • Electric fryer must meet ENERGY STAR® Version 3.0 specifications • The following information must be submitted with each electrification rebate application: <ol style="list-style-type: none"> 1. Did the site require any electric infrastructure upgrades for the proposed electrification measure? If yes, provide the itemized invoices with infrastructure upgrade costs. 2. Please provide a photo(s) of the nameplate of installed equipment

RESTAURANTS, COMMERCIAL KITCHENS, FOOD SERVICES EQUIPMENT

Product Code	Equipment	\$Rebate/Unit	Eligibility Requirements
FS11	Commercial griddle • Electric only	\$400/griddle	<ul style="list-style-type: none"> Griddle must have a tested heavy-load cooking energy efficiency of 70% or greater and an idle energy rate of 320 W per square foot of cooking surface or less For a list of rebate-qualified products, visit www.energystar.gov/products/business
FS13	Commercial steam cooker • Electric	\$1,250/steamer	<ul style="list-style-type: none"> Cooker must meet ENERGY STAR® Version 1.2 specification for energy efficiency or must have a tested heavy-load (potato) cooking energy efficiency of 50% or greater For a list of rebate-qualified products, visit www.energystar.gov/products/business
FS28	Commercial ice machine SCU ≤ 100 pounds per day (lbs/day)	\$50/unit	<ul style="list-style-type: none"> Must meet ENERGY STAR® Version 3.0 specifications for Automatic Commercial Ice Makers. Includes machines generating ice cubes that are 60 grams (2 oz.) or lighter. It also includes flaked, crushed and fragmented ice makers. Rebate amount depends on ice making rate (pounds per day) and equipment type: self-contained units (SCU), Ice-making heads (IMH) and remote condensing units (RCU). Only air-cooled machines (self contained, ice making heads or remote condensing) are eligible. The entire AHRI tested ice making system must be purchased. Remote machines must be purchased with qualifying remote condenser or remote condenser/compressor unit. <p>For a list of rebate-qualified products, visit www.energystar.gov/products/business</p>
FS29	SCU 101 - 200 lbs/day	\$75/unit	See above FS28 requirements
FS30	SCU > 201 lbs/day	\$125/ unit	See above FS28 requirements
FS31	IMH ≤ 300 lbs/day	\$75/ unit	See above FS28 requirements
FS32	IMH 301 – 800 lbs/day	\$125/ unit	See above FS28 requirements
FS36	IMH 801 - 1,500 lbs/day	\$200/unit	See above FS28 requirements
FS37	IMH ≥ 1,501 lbs/day	\$300/unit	See above FS28 requirements
FS38	RCU ≤ 988 lbs/day	\$200/unit	See above FS28 requirements
FS39	RCU > 989 lbs/day	\$300/unit	See above FS28 requirements

RESTAURANTS, COMMERCIAL KITCHENS, FOOD SERVICES EQUIPMENT

Product Code	Equipment	\$Rebate/Unit	Eligibility Requirements
FS33	Insulating holding cabinets full size	\$600/unit	<ul style="list-style-type: none"> • Must meet the Consortium for Energy Efficiency (CEE) Tier II specification and have a maximum idle energy rate of 20 W per cubic foot in accordance with the ASTM Standard F2140 test method. • All measures must be electric hot food holding cabinets that are fully insulated and have solid doors. • For a list of rebate-eligible products, see CEE's latest version of the Commercial Kitchen Hot Food Holding Cabinets Qualifying Product List <p>Exclusions</p> <ul style="list-style-type: none"> • Does not include cook and hold equipment.
FS34	Insulating holding cabinets half-size	\$200/unit	See above FS33 requirements.
FS35	Kitchen exhaust hood demand ventilation control system (new/retrofit)	\$700/HP	<ul style="list-style-type: none"> • Applies towards the purchase and installation of a new commercial kitchen exhaust hood control system. • Installed in an existing dedicated commercial kitchen exhaust hood and make-up air system. • The installation of the demand ventilation control system must include a temperature or optic sensor that senses cooking conditions. • The control system must be used in conjunction with variable speed fan motor controls.

CUSTOM REBATES

The custom rebate option is available for retrofit and retrocommissioning energy projects that do not qualify for standard rebates. Qualifying projects include replacements such as controls or modifications to air conditioning systems which result in verifiable electric and/or natural gas savings. A licensed engineer is required to estimate your project energy savings. All custom applications require pre- and post-installation inspections by CPAU. Your application must be approved before purchasing your equipment.

APPLICATION PROCESS

1. Read the Program Eligibility Requirements (page 1), Terms and Conditions (page 16), and the "Custom Rebates" section (page 15).
2. Consult a licensed engineer for an energy savings report and have it stamped by the engineer. See "Savings Estimation" for details.
3. Submit a completed [Online Rebate Application](#).
4. CPAU will schedule a pre-installation inspection. After inspection, CPAU will issue a notice of approval via email. Do not purchase equipment until you receive this notice.
5. Order, purchase, and install equipment within 180 days of your notice of approval. After installation, upload proof of purchase and supporting documentation using the link in your notice of approval.
6. CPAU will schedule a post-installation inspection. If your project is accepted, CPAU will send the rebate check within 2 - 4 weeks.

CUSTOM REBATE AMOUNTS

1. Electric custom rebate = \$0.15 per first year kilowatt-hour (kWh) savings
2. Lighting rebate = \$0.10 per first year kWh savings
3. Variable Speed Drive (VSD) rebate = \$0.15 per first year kWh savings
4. Retrocommissioning rebate = \$0.10 per first year kWh savings
5. Natural gas custom rebate = \$1.00 per first year therm savings
6. Rebates are capped at 50% of total project cost
7. The custom rebate can be used in place of a prescriptive rebate when the custom rebate amount is at minimum 10% greater than the prescriptive rebate amount
8. Rebates are subject to change based on CPAU's verification of project energy savings

QUALIFYING ENERGY EFFICIENCY MEASURES

1. Only retrofit projects for existing operating equipment qualify
2. All projects must exceed all federal and state government-mandated efficiency standards
3. Replacement equipment must operate for minimum of 5 years
4. New construction, fuel-switching and co-generation projects are ineligible

SAVINGS ESTIMATION REQUIREMENTS

1. Energy savings calculations must be stamped by a professional engineer licensed in the State of California in the applicable discipline
2. VSDs require the use of the CPAU VSD calculator for energy savings calculations (page 5)
3. All lighting projects must use the CPAU lighting calculator for energy saving calculations (page 8)
4. Calculate the estimated annual energy use of the existing process or equipment being replaced using efficiency values based on either accepted State or Federal standards. If these values are unavailable, manufacturer efficiency values for the existing equipment may be used
5. CPAU reserves the right to verify project savings through independent measurement and evaluation
6. At CPAU's sole discretion, other forms of calculated savings may be accepted
7. CPAU reserves the right to approve or decline all proposed projects based upon independent measurement and evaluation
8. Savings calculations must include product specifications, hours of operation, the derivation of baseline conditions and all other assumptions used to support estimates. Please include the output of any simulation programs used

TERMS AND CONDITIONS

1. Applicant must be on a commercial rate schedule for electric and/or gas utility services from City of Palo Alto Utilities (CPAU) at the time of application in order to participate in the "Business Customer Rebates Program ("Program").
2. New construction projects are not eligible for rebates under the Program.
3. Applications will be accepted on a first-come, first-served basis until allocated funds for the Program are spent. Rebate funding is subject to availability and may change without prior notice.
4. Applications must be approved before purchasing the equipment in order to receive rebates.
5. Projects shall not commence until CPAU issues a notice of approval. CPAU reserves the right to reject any application that is incomplete or does not meet Program criteria.
6. Eligible equipment and corresponding rebate levels are listed in the Business Customer Rebates Catalog ("Catalog"). Equipment must meet all Eligibility Requirements and specifications listed in the Catalog to receive rebates.
7. All equipment must be purchased and installed within 180 days of application approval*. Extensions may be granted on a case-by-case basis by written request.
8. All equipment must be installed in accordance with all applicable federal, state, and local laws, building codes, manufacturer's specifications, and permitting requirements. If using a contractor for the project, the contractor must hold the appropriate license for the work performed.
9. Energy savings for which rebates are paid cannot exceed the actual usage provided by CPAU. Non-utility supply, such as co-generation or deliveries from another commodity supplier, do not qualify as usage from CPAU.
10. Applicant agrees to participate voluntarily in the Program.
11. Applicant certifies that it meets the Program Eligibility Requirements and that the information is true and correct to the best of its knowledge.
12. Applicant certifies that it has read and understood the Eligibility Requirements listed in the Catalog and the Terms and Conditions.
13. If Applicant is a tenant, Applicant certifies that it has obtained the property owner's permission to install equipment.
14. Applicant and its agents shall indemnify and hold the City of Palo Alto harmless from any damage, loss or liability that may arise from the undertaking of this project and participation in the Program.
15. Applicant understands CPAU is not responsible for taxes that may be imposed on Applicant and/or its agents as a result of receipt of any financial incentives from CPAU. Applicant is urged to consult a tax advisor concerning program rebates and incentives.
16. Applicant understands that participation in the Program is subject to acceptance of the rebate application by CPAU.
17. Applicant understands that if CPAU agrees to rebate application, a notice of approval will be issued specifying the potential reimbursement amount, project deadline, and other terms.
18. Applicant understands that any changes to the notice of approval must be in writing and approved by CPAU.
19. Applicant understands CPAU reserves the right to limit the number of products rebated.
20. Applicant understands that it must complete project(s) in the City of Palo Alto service territory and must provide copies of invoices and any supporting documentation as requested by CPAU as a prerequisite to receiving any rebates.
21. Applicant understands that rebates may require pre- and post-inspections and/or measurements of product performance, and that rebate amounts can be adjusted based on results of the inspections or measurements. Therefore, Applicant agrees to provide access to the project site for these purposes to CPAU and/or its agents.

Customers applying for the boosted HVAC incentive must follow the timeline listed in the Terms and Conditions on page 17.

LIMITED-TIME BOOSTED HEAT PUMP HVAC TERMS AND CONDITIONS

CPAU is offering limited-time incentives of \$3,500/ton for up to 10 business customers to gather data on the costs of installing heat pump HVAC systems. In exchange for the higher incentive, customers must share certain program-specific data with CPAU to help CPAU identify and eliminate hurdles as it develops a sustainable, long-term commercial HVAC electrification program.

ELIGIBILITY REQUIREMENTS

1. Must meet program eligibility requirements listed on page 16.
2. Have an existing space heating system that runs on natural gas.

APPLICATION PROCESS

1. Read the Program Eligibility Requirements and Business Customer Rebates Program Terms and Conditions (page 16).
2. Submit a completed Online Rebate Application.
3. CPAU will schedule a pre-installation inspection. Participants in the Business Energy Advisor program who have completed site assessments may forgo an additional pre-inspection with CPAU. After inspection, CPAU will issue a notice of approval via email. Do not purchase equipment until you receive this notice.
4. Apply for a City permit through the City's Planning and Development Services Department.
5. Provide CPAU with required pre-installation supporting documentation.
6. Order, purchase, and install equipment within 8 months of City permit issuance.
7. After installation, upload proof of purchase, installation photos, and supporting documentation using the link in your notice of approval to CPAU's rebate portal.
8. CPAU will schedule a post-installation inspection. If your project is accepted, CPAU will send the rebate check within 2 - 4 weeks.

REQUIRED DOCUMENTATION

Pre-installation supporting documentation:

1. Pre-installation photos.
2. Existing equipment information.
3. Estimates for like-for-like gas pack equipment and installation.

4. Estimates for Heat pump HVAC equipment (including but not limited to equipment, labor, installation, design & engineering, permitting, line of site calculations, sound studies, screening, electrical upgrades, structural calculations, and any other associated engineering costs).
5. Purchase order for heat pump HVAC equipment and installation.

Post-installation supporting documentation:

1. Final invoice from installer and any other professionals involved with the installation (including but not limited to equipment, labor, installation, design & engineering, permitting, line of site calculations, sound studies, screening, electrical upgrades, materials, structural calculations, and any other associated engineering costs).
2. Post-installation photos.
3. Permit with final signature.

INCENTIVE PAYMENTS

1. Rebates are \$3,500/ton of heat pump HVAC equipment.
2. Incentives are capped at \$120,000/site or the total project cost, whichever is less.
3. Rebates are not stackable with other CPAU rebates.
4. Rebates will be issued in milestone payments. 20% of the total estimated project cost based on signed purchase order will be provided once permit has been issued. The remaining 80% of the rebate payment will be issued once the project is complete with the final sign off on the City permit.