

➤ Lighting Efficiency

A. Description

The Lighting Efficiency product offers prescriptive and custom rebates to Xcel Energy electric business customers who install qualifying energy-efficient lighting equipment in existing ~~or new buildings~~. Rebates are offered to encourage customers to purchase energy-efficient lighting by lowering the upfront costs associated with this equipment.

The product's main offerings include the following:

- Prescriptive rebates for qualifying lighting measures and projects³⁵ that save energy such as:
 - LED fixtures that replace inefficient systems, including incandescent, HID and fluorescent. LED measures include both interior and exterior fixtures, retrofit kits, and lamps for ~~new construction and~~ retrofit applications.
- Custom rebates for energy-saving lighting projects that do not fall within the requirements of the prescriptive rebates.
- Midstream LED lamp rebates called Business LED Instant Rebate.

Prescriptive Lighting Rebates

The product offers rebates for qualifying lighting equipment that is more efficient than existing equipment in retrofit situations ~~or more efficient than standard equipment in new construction applications~~. Lighting measures applicable to a prescriptive rebate format are ones that are commonly installed in the marketplace and have an easily identifiable means to determine energy savings.

Custom Lighting Rebates

Energy-saving lighting measures and lighting controls projects that do not fit into a prescriptive rebate category can be evaluated through the Custom Efficiency analysis. Requirements include that the customer obtains pre-approval before proceeding with the project, and the customer gathers and provides all information needed to analyze the energy savings potential of the project. In addition, for advanced lighting controls projects all equipment must be new and the control retrofit must be for an existing building.

Additionally, as the importance of managing peak demand continues to grow, the Company will explore ways to incentivize and incorporate load management technologies and strategies. Interval data from advanced meters will help the Company better identify strategies to shift energy use from peak to off-peak periods.

³⁵ http://www.xcelenergy.com/Save_Money_&_Energy/Rebates/Lighting_Efficiency_-_CO

Business LED Instant Rebates

The product offers upfront rebates to customers on qualifying LED screw-in or pin-based lamps and downlight retrofit kits and fixtures that are purchased from distributors participating in the LED Instant rebate program.

B. Targets, Participants & Budgets

Targets and Participants

The product's participation and energy savings targets were determined by looking at historical participation levels, as well as the large number of LED products that are expected to be commercially available during the time period of this Plan. Previous project characteristics, including equipment type/mix, were also used to develop projected average cents-per-kWh rebate for each measure.

Budgets

Historical expenditures were analyzed to project the budget. The main budget drivers include:

- *Participant Incentives* – The vast majority of the budget is allocated for rebates. This budget reflects the new rebate levels and projected customer participation in each measure, which was based on 2017 and some of 2018 participation across the offerings.
- *Administration* – These budgets are based on past product performance with a slight increase built in for expanded product offerings, engineering, and account management involvement. The budget also includes third-party implementer costs for the implementation of Business LED Instant Rebate efforts and technical assistance with complex lighting projects.
- *Advertising and Promotion* – A promotional budget was developed based on historical expenditures on marketing activities. Promotions are targeted to customers and trade partners and typically focus around activities such as new or revised product offerings, case studies featuring successful projects, educational opportunities such as events, and bonus rebates.

C. Application Process

Customers may hear of the Lighting Efficiency product through several channels, including the Company's website, advertising, direct mail, email promotions or through the lighting trade. Account Managers work directly with the Company's largest customers to help them identify energy saving opportunities in lighting and the Business Solutions Center (BSC) is available for all business customers, particularly small- and mid-sized business customers, who need information on lighting rebate products.

Lighting Efficiency Retrofit ~~and New Construction~~ Applications

The application process for the prescriptive retrofit ~~and new construction~~ products is similar to other prescriptive products. Customers may apply for rebates by completing the application and providing a detailed invoice for the newly installed equipment. The customers may submit a rebate application after the equipment has been purchased and installed. The replacement of

fixtures must provide equivalent lighting levels between the baseline and proposed scenarios and result in energy savings.

The equipment must be new and meet all the qualifications detailed on the application form. After the customer has installed the equipment, the application and invoice must be submitted to the Company within 12 months of the invoice date for retrofit ~~projects and 24 months of the invoice date for new construction~~ projects. Once the paperwork is completed and submitted, rebate checks will be mailed to the customer as indicated on the application within six to eight weeks.

Business LED Instant Rebates

Customer validation that the end-use customer is within Xcel Energy electric service territory is conducted at the point of sale. Participating distributors will apply an incentive to the retail price to decrease the qualified product cost. Customers will not be required to submit a rebate application as the participating distributor will provide the sales data to the utility.

Custom Efficiency Lighting

Applications for energy saving lighting projects that do not fit into the prescriptive paths may be reviewed using the Custom Efficiency or Advanced Lighting Control product preapproval application and the accompanying Lighting Evaluation Worksheet. Project analysis and preapproval of Custom Efficiency and Advanced Lighting Control lighting projects is required prior to equipment purchase and installation.

D. Marketing Objectives & Strategies

The key marketing objective is to raise awareness, interest and participation in the Lighting Efficiency product, contributing to goals for energy savings and demand reduction.

Marketing Strategy

Lighting Efficiency is primarily promoted through Company Account Managers, Energy Efficiency Specialists within the BSC via inbound and outbound telemarketing, through Colorado's lighting and electrical trade via the Company's Channel Managers, and by traditional marketing vehicles such as advertising, mailings, Web content and tools, email and other sales promotions.

Account Managers and the BSC market the Lighting Efficiency product to customers—especially mid- to large-sized commercial and industrial customers, where the majority of the product's savings are realized—within their day-to-day interactions.

Significant market segments for potential Lighting Efficiency savings include: office buildings, manufacturing sites, retail establishments, schools, and 24-hour facilities. Marketing campaigns targeted to those customer segments are executed during one-on-one Account Manager meetings, BSC scripted calls, and/or via mass communications that drive inquiries to the Company's inbound phone center.

Marketing to Trade Partners

The Company's outreach and relationship building with lighting and electrical trade, professional engineers, architects and lighting designers is another key strategy to reach important business segments and indirectly influence the purchase and installation of energy-efficient lighting systems. The Company establishes and maintains contact with this audience by:

- In-person training and presentations by the Channel Managers at industry events and trade shows, such as the Energy Efficiency Expo held in first quarter of each year, for both customers and trade allies;
- The Lighting Advisory Board, described in section *F. Stakeholder Involvement* below;
- *Energy Exchange*, a quarterly email that is sent to the trade discussing energy efficiency lighting applications, case studies, product changes, and other pertinent topics; and
- Trade website,³⁶ including applications, specific brochures and informational pieces directed toward the trade, and updates on product offerings.

Marketing to Small Business Customers

The Company accesses this harder-to-reach market primarily through direct mail, email, and the BSC, as well as via outreach conducted by the Company's Lighting – Small Business third-party implementer.

In addition, several printed marketing pieces are available on the Company's website³⁷ for viewing or download. These pieces are targeted to large-, medium- and small-sized business customers, as well as trade partners. The website offers information on lighting technologies, case studies of successful lighting upgrades, and external sources highlighting reasons to pursue lighting upgrades or implement efficient lighting sources.

- *Prescriptive Rebate Applications* – Applications detail product requirements, rebate levels and additional information to help customers complete the form and submit it for rebate with accompanying invoices and equipment specifications.
- *Resource Documents* – The Lighting Efficiency webpage links to several documents on energy efficient lighting technologies, written by outside organizations such as E-Source, that further identify lighting efficiency sources and opportunities.

E. Product-Specific Policies

Lighting Efficiency has a number of product-specific policies:

- 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 for retrofit projects ~~and 24 months of the invoice date for new construction projects.~~

³⁶http://www.xcelenergy.com/Energy_Partners/Trade_Partners/Commercial_Programs/Lighting_Efficiency_for_Trade_Partners_-_CO

³⁷ http://www.xcelenergy.com/Save_Money_&_Energy/Rebates/Lighting_Efficiency_-_CO

- Non-DLC and non-ENERGY STAR® products must meet the DLC or ENERGY STAR product eligibility category definitions.
- ~~New Construction rebates will be offered for new facilities, spaces overhauled for a new purpose, spaces where new lighting is required for safety/code requirements and spaces with fixtures that are at the end of their useful life.~~
- Customers who purchase lights in bulk can earn rebates on select LED lamps for stocking purposes. Lamps in storage must remain on the premises.
- In cases where the customer is unable to obtain an equipment invoice, the Company will send an Account Manager to complete an onsite field verification to confirm that equipment was installed as stated on the application.
- Preapproval is required for Custom Efficiency and Advanced Lighting Control 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 and Advanced Lighting Control projects that exceed their planned timeframe, or have significant equipment deviations from the original plan, require reanalysis and approval.

F. Stakeholder Involvement

Stakeholder involvement in the Lighting Efficiency product comes through a Lighting Advisory Board and the 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 Company's product offerings, suggest areas of improvement, and to offer a forum for open discussion of lighting topics. Several recommendations from the board have been addressed through the Company's product development process and incorporated into the product. The Board will continue to meet on a regular basis, or as long as needed.

G. Rebates & Incentives

The Lighting Efficiency product offers rebates through the retrofit ~~and new construction~~ prescriptive components, and/or Custom Efficiency and Advanced Lighting Controls, and/or the Business LED Instant Rebate component.

The Company will use the most appropriate rebate channel to implement rebates.