

Commercial Equipment Rebate Program

Rebate Rules and Regulations

Fiscal Year 2024-2025



Rebate Program Overview

The purpose of the Commercial Equipment Rebate Program (Program) is to save water by encouraging non-residential properties in the San Francisco Public Utilities Commission (SFPUC) retail water service area to replace or retrofit inefficient commercial-grade indoor water-using equipment with more water-efficient indoor equipment. The rebate program is intended for commercial, industrial, and institutional buildings served by a SFPUC retail water service account.

Applications for the fiscal year 2024-25 increment of Rebate assistance will be accepted through May 1, 2025, unless funding is depleted before the end of SFPUC's fiscal year. The SFPUC anticipates funding will be available for fiscal year 2025-26 projects. Rebate funding is available on a first come, first serve basis.

Definitions

Unless otherwise expressly stated and defined in a separate Rule, the following terms in bold font shall, for the purpose of these Regulations, have the meaning indicated following the colon (:).

Applicant: Retail customer seeking Rebate funds from the SFPUC for a proposed indoor equipment retrofit or replacement of existing water using equipment, pursuant to the instructions and guidelines set forth in this application package.

Application: A complete set of required documents and information reported through the SFPUC's water conservation online application portal.

Award: The decision by the SFPUC to provide Rebate funds, following the review and evaluation of a completed application project.

CII: Commercial, industrial, and institutional water customers

Metered Water Savings Equipment Rebate: A site-specific project that requires metering, typically by an in-line meter, to verify water savings and calculate the rebate amount. These projects will be rebated at a rate of \$7 per ccf of water saved over an estimated 10-year project lifespan, up to 100% of equipment costs, not to exceed the maximum rebate cap of \$750,000 per rebate.

Estimated Water Savings Equipment Rebate: Installation of equipment that either has manufacturer-published water savings documentation or equipment where savings can be determined by qualified audits, engineering designs or reports, historic water use with existing equipment, and other project-specific information. These projects will be eligible for a rebate at a rate of \$1 per ccf of water saved over an estimated 10-year project lifespan, up to 50% of equipment costs, not to exceed the maximum rebate cap of \$750,000 per rebate.

Qualifying Equipment Project: Installation of commercial-grade water efficient equipment or fixture(s) in an existing CII building or facility that results in an increase of the efficiency of indoor water use and potable water savings of at least 100 ccf each year.

Non-potable Water: Water that may be beneficially used but does not meet the federal and state standards for use as drinking water.

One Hundred Cubic Feet (ccf): A measure of water expressed as one hundred cubic feet (ccf). One ccf is equivalent to 748 gallons of water.

Pre-Project Inspection: A required inspection by SFPUC staff to verify pre-project site information.

Post Project Inspection: A required inspection by SFPUC staff to verify installation of qualifying equipment project and meter information, if applicable.

Participant: An Applicant approved by the SFPUC for a Rebate under these Rules and Regulations.

Potable Water: Water that meets state and federal drinking water standards.

Process Water: Water that is used by industries and businesses to produce a product or affect a process.

Proof of Purchase: Documentation of qualifying equipment purchase typically consisting of itemized invoices, receipts, processed checks and/or completed bank fund transfer statements. Equipment invoices must break out qualifying from non-qualifying project costs.

Qualifying Equipment Cost: Includes the cost of newly purchased equipment to complete qualifying equipment project, as well as costs associated with purchase of a meter to measure project water savings. Qualifying equipment costs do not include tax, shipping, labor, surveys/audits, design, permit or installation costs.

Rebate: Funding provided based on the successful completion of a qualifying equipment project, demonstrating more than 100 ccf of water savings per year and compliance with all program terms and conditions.

Rebate Reservation: Provisional reservation of rebate funding made for projects with approved applications. Rebate reservations are valid for 6 months. Participants may request a 6-month extension prior to the rebate reservation end date.

Recycled Water: Water taken from a waste (effluent) stream and treated to a level suitable for further use, in accordance with CADPH and USEPA requirements based on specific uses. Recycled water is sometimes referred to as reclaimed water.

Retail Customer: Any commercial, industrial, or institutional customer who receives a water bill directly from SFPUC for their own water use, and not for resale.

Retail Service Area: All properties facilities within the City and County of San Francisco, and those outside the City boundaries that are served directly by SFPUC on a retail basis.

Retrofit: To furnish an existing CII water using facility with new water efficient equipment not available or considered at the time of construction/development. Retrofit is only applicable to existing commercial-grade water using equipment.

W-9: A form issued by the U.S. Internal Revenue Service, officially called Request for Taxpayer Identification Number and Certification, a necessary submission by a Participant to receive a Rebate.

I. General Commercial Equipment Rebate Program Information

The following information is applicable to all program sections:

Participation Generally

The SFPUC offers a Rebate for qualifying Metered Water Savings and Estimated Water Savings equipment projects. The Program is intended to encourage CII properties and businesses in San Francisco to implement indoor equipment retrofits to maximize the efficient use of potable water. The Program is not for single-family or multi-family homes.

Customer Responsibility

The Customer is solely responsible for purchasing, operating, and maintaining any Qualifying Equipment Project for which the Customer is seeking a Rebate under this Program.

Rules and Regulations

Submission of an Application constitutes an Applicant's acknowledgment and agreement that the Applicant shall comply with these Rules and Regulations as may be amended.

Termination and Limitation of SFPUC Liability

The SFPUC may, in its sole discretion and authority, reject an Applicant's application to the Program if it does not meet all eligibility requirements or include all required documentation.

The SFPUC may, in its sole discretion and authority and without notice, terminate or alter the Commercial Equipment Rebate Program at any time.

Funding is limited and Rebates are available on a first come, first served basis until funds run out or the Program terminates.

The SFPUC makes no representation or guarantees that participation in the Program will result in lower water bills.

SFPUC shall bear no responsibility or liability for the cost, expense, operation, maintenance, or repair of a Participant's Qualifying Equipment Project. SFPUC shall likewise bear no responsibility or liability for delay in accepting an Application, rejection of an Application, or termination of the Program.

II. Commercial Equipment Rebate Program Participation Requirements

To receive a Commercial Equipment Rebate, an Applicant must meet the following eligibility criteria:

To participate in the Program, the Customer must:

- Receive a water bill directly from the SFPUC for the Customer's own water use.
- Be located in an existing building at a site that receives water from a retail service account with the SFPUC.
- Be classified as a commercial, industrial, or institutional (CII) entity.

Commercial Equipment Rebate Program Eligibility Customer Eligibility

To be eligible to be awarded a Rebate, the Qualifying Equipment Project must:

- Be able to reduce onsite water use by a minimum of 100 ccf annually.
- Result in indoor water savings. Only indoor water savings are applicable to Commercial Equipment Rebate Program rebate calculation.
- Be permanent and be operated for a minimum of 10 years. If retrofitted equipment is not operated for a minimum of 10 years, the Participant may be required to reimburse the SFPUC the entire Rebate amount received.
- Meet all applicable local, state, and federal laws, regulations, and ordinances.
- Be completed within six months of the application submission date. An Applicant may request an extension of up to an additional six months before the conclusion of the initial Rebate Reservation.
- The following projects are *not* eligible projects: Replacement of toilets, urinals, clothes washer, showerheads or faucet aerators, which are subject to the San Francisco Commercial Water Conservation Ordinance (Board of Supervisor File Number 090226, Enactment Number [0077-09](#), which amended Chapter 13 A of the San Francisco Building Code); projects eligible for another SFPUC rebate program, such as outdoor irrigation or landscaping equipment; or projects using recycled water.

Rebate Eligibility, Amount, and Payment

(A) Rebate Eligibility

- To receive a Rebate, a Participant must submit a Proof of Payment with itemized qualifying equipment costs. Receipts and/or invoices that do not include the itemized cost of qualifying equipment will be rejected.
- The Applicant must submit a completed W-9 form to the City Controller by either emailing the form to supplier.management@sfgov.org or mailing a hard copy to Supplier Management, 1 Dr. Carlton B Goodlett Place, Room 300, San Francisco, CA 94102.
- The Applicant must allow an onsite pre-project and post project inspections by SFPUC staff to verify installation of a Qualifying Equipment Project prior to the Rebate approval.
- For leased equipment, the Customer must submit a new signed lease agreement with a minimum term of nine years. The lease must identify all qualifying equipment cost attributes.

(B) Rebate Amount and Payment

- The Rebate amount shall not exceed 100% of the project's qualifying equipment cost (not including sales tax, shipping, and/or installation costs) and may not exceed the Program's maximum rebate cap of \$750,000.
- **Estimated Water Savings Equipment Rebates** - The SFPUC will provide Estimated Water Savings Equipment Rebates based on \$1.00 per ccf of water saved over the estimated equipment lifespan, up to 10 years, not to exceed 50% of the qualifying equipment costs or the Program's maximum rebate cap of \$750,000. The SFPUC does not require Estimated Water Savings Equipment Rebates to be metered, however, water savings and rebate amount will be based on calculated water savings over the Project's lifespan and qualifying equipment costs. Applicants must indicate the estimated yearly water savings expected from use of the equipment and provide a description of the source and method for estimating savings. SFPUC staff will evaluate and determine if savings documentation is sufficient. Examples of sources of water-savings estimates include but are not limited to qualified audits, engineering designs or reports, historic water use with existing equipment, and other project-specific information. Estimated Water Savings Rebate equipment, includes but is not limited to:
 - Medical Equipment Steam Sterilizers
 - Commercial Laundry Retrofits
 - Water Efficient Ice Machines
 - Connectionless Food Steamers
 - Dry Vacuum Pumps
 - Cooling Tower pH Controllers
 - Other Indoor Water-Using Equipment
- **Metered Water Savings Equipment Rebates** – Metered Water Savings Equipment Rebates will be calculated at \$7.00 per ccf of water saved over the estimated equipment lifespan, up to 10 years, not to exceed 100% of the project's qualifying equipment costs or the program's maximum rebate cap of \$750,000. These projects will establish water savings through metered results, typically 3 months pre-project and 3 months post project. Metering duration may vary depending on the project attributes.
- The SFPUC endeavors to issue a rebate check within 12 weeks of final approval of a Qualifying Equipment Project

III. Participation Process

Applicant must follow these steps to apply:

- Read the application directions and program rules posted on the SFPUC's web page for this program, ([Commercial Equipment Rebate \(sfpuc.org\)](http://www.sfpuc.org/CommercialEquipmentRebate)), before starting an online application.
- Register the facility's water account with the SFPUC's Water Conservation Application System. To register, the Water Service Account Number and the account service address zip code are needed. <https://conservation.sfwater.org/Login.aspx?ReturnUrl=%2f>
- Submit a complete online application, including all required supporting documentation that describes Qualifying Equipment Project equipment to be purchased and installed, water savings estimate, water savings estimate methodology, project timeline and cost.
- Pre-Inspection of pre-project site conditions by SFPUC water conservation staff will be completed prior to purchase and installation of Qualifying Equipment Project equipment. During the pre-inspection, SFPUC staff will verify the site's existing equipment and collect information to determine if the project may be eligible for a Metered Water Savings or Estimated Water Savings Rebate.
- Upon successful completion of the inspection, SFPUC staff will contact the site and confirm that a Rebate Reservation has been made.
- A Rebate Reservation is made on a case-by-case basis and subject to availability of funds and does not guarantee that a Rebate will be issued.
- The Applicant will then purchase and install the equipment within 6 months of the date of Rebate Reservation, incorporating metering if a Metered Water Savings Equipment Rebate is being pursued.
- Upon completion of the equipment installation, the Applicant will contact SFPUC and send original Proof of Payment documentation for the Qualifying Equipment Project as well as send a completed W-9 to the City Controller.
- SFPUC staff will conduct a post inspection once the equipment has been installed.
- After the post-inspection is complete and upon receipt of all required documentation, the SFPUC will determine the final rebate amount and issue the Rebate.

Program Application Requested Information

- First Name
- Last Name
- Account Role
- Address
- Phone
- Email
- City
- State
- Zip
- Company
- Title

- Project Type
- Property Type
- Installation Address
- Project Lifespan (Years)
- Specific Location of Project
- Project Description
- Total Project Hardware Cost
- Does the project result in potable water savings
- Indicate the annual amount of potable water savings (gallons per year)
- Work Plan and Project Schedule
 - Task Number and Description
 - Responsible Person/Group
 - Estimated Start Date
 - Estimated Completion Date
- Hold Harmless and Indemnification Agreement
- Project Costs
 - Equipment Installed
 - Make and Model
 - Quantity
 - Cost
 - Total Item Cost
 - Total Budget
- Project Documentation Upload
 - Project Description
 - Purchase Receipts
 - Work Plan and Schedule
- I have read and accept the terms of the program
 - Date and Time
 - User