# BUSINESS CUSTOMER REBATES CATALOG



CITY OF
PALO ALTO
UTILITIES

AUGUST 2026

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# How to Apply

CPAU encourages its business customers to replace natural gas-fired equipment with high efficiency electric alternatives. Electrification of gas equipment reduces greenhouse gas emissions and improves indoor air quality while supporting local climate goals.

## PROGRAM ELIGIBILITY REQUIREMENTS

To qualify for CPAU's Business Customer Rebate Program, applicant must:

- Be a non-residential City of Palo Alto Utilities (CPAU) customer on a commercial electric and/or gas rate schedule
- Submit an online application and receive approval prior to purchasing or installing equipment
- Install eligible retrofit or retro-commissioning measures (new construction projects are not eligible)
- Agree to all program **Terms and Conditions**

## APPLY FOR STANDARD REBATES

Standard rebates offer a fast and easy way to receive incentives.

1. **Before You Submit Your Application**
   > Confirm your project meets all **Terms and Conditions**, and equipment specifications listed in this catalog
2. **Submit an Online Rebate Application**
   > Only completed applications will be reviewed
3. **Get Approved for Installation**
   > Approval notices are sent via email within 10 business days. Do not purchase equipment before approval
4. **Apply for Building Permits and/or Planning Entitlements**
   > Visit **Planning and Development Services (online permit services)** for necessary permit or entitlement. Permits must be issued before installation
5. **Install Equipment and Upload Supporting Documentation**
   > Install within 180 days of approval. Upload invoices, permits, and documentation using the link provided
6. **Receive Rebate**
   > After verification, rebates are issued within 2-4 weeks

# How to Apply CONTINUED

## APPLY FOR CUSTOM REBATES

Custom rebates require additional inspections and documentation.

1. **Before You Submit Your Application**
   - > Confirm your project meets all **Custom Rebate guidelines**
2. **Get an Energy Savings Report Stamped by a Licensed Engineer**
   - > Have a licensed engineer prepare and stamp an energy savings report for your project
3. **Submit an Online Rebate Application**
   - > Only completed applications will be reviewed
4. **Apply for Building Permits and/or Planning Entitlements**
   - > Visit **Planning and Development Services (online permit services)** for necessary permit or entitlements. Permits must be issued before installation.
5. **Schedule Pre-Installation Inspection: Get Approval for Installation**
   - > CPAU will contact you within 10 business days to schedule an inspection
   - > Do not purchase equipment before receiving installation approval
6. **Install Equipment and Upload Supporting Documentation**
   - > Install within 180 days of approval. Upload invoices, permits, and documentation using the link provided.
7. **Schedule Post-Installation Inspection and Receive Rebate**
   - > CPAU will conduct a final inspection. Rebate may be adjusted based on verified savings. Rebate checks are issued within 2-4 weeks.

# Heat Pump Water Heater

CPAU encourages its business customers to replace natural gas-fired equipment with high efficiency electric alternatives. Electrification of gas equipment reduces greenhouse gas emissions and improves indoor air quality while supporting local climate goals.

| Product Code | Equipment | $ Rebate / Unit | Eligibility Requirements |
|---|---|---|---|
| BE02 | Electrification—Heat Pump Water Heater (HPWH)<br>45 - 55 gallons | $2,500 / unit | • Must replace an existing gas-fired tank water heater<br>• HPWH must meet the uniform energy factor (UEF) based on the storage capacity listed below:<br>- 6.1 to 100 gallons: minimum 3.30 UEF<br>- Greater than 100.1 gallons: minimum 4.30 COP<br>**Required documentation for the rebate application:**<br>- Provide a photo(s) of the nameplate on the installed equipment<br>- Projects that included electrical infrastructure upgrades must provide itemized invoices showing all associated costs |
| BE03 | Electrification—HPWH<br>55.1 - 75 gallons | $3,000 / unit | |
| BE04 | Electrification—HPWH<br>75.1 - 100 gallons | $3,500 / unit | |
| BE05 | Electrification—HPWH<br>≥ 100 gallons | $7,000 / unit | |

# Chillers and Heat Rejecting Equipment

Chillers and heat rejecting equipment are eligible under the Custom Rebate pathway.

- Custom Energy Efficiency Retrofit: Rebates are calculated at $0.15 per kWh of verified annual electric savings and $1.25 per therm of verified annual gas savings
- Retro-commissioning (RCx): Rebates are calculated at $0.10 per kWh of verified annual electric savings

For detailed eligibility requirements, documentation needs, and calculation guidance, see the **Custom Rebates** section.

**Note:** New or replacement chillers that displace gas-fired cooling or heating systems with high-efficiency electric chillers or heat recovery chillers may qualify for additional electrification incentives.

## VALLEY WATER WATER EFFICIENT TECHNOLOGY (WET) REBATE

Valley Water

This rebate may be stackable for qualifying retrofits that result in measurable water savings, including cooling tower efficiency upgrades, Variable Frequency Drives (VFDs), and other custom equipment improvements.

**Click here for more information.**

# Heating Ventilation and Air Conditioning (HVAC) Equipment

HVAC equipment upgrades are eligible under the **Custom Rebate** process.

Variable Speed Drives (VSD) installations do not require a professional engineer's stamp; however, the appropriate CPAU VSD calculators for fans and pumps must be used (available for download below).

**HVAC Fan VSD Rebate Calculator**

**Parking Garage Fan VSD with CO2 Sensor Rebate Calculator**

**Pump VSD Rebate Calculator**

| Product Code | Equipment | $ Rebate / Unit | Eligibility Requirements |
|---|---|---|---|
| HV02 | Advanced Rooftop Unit (RTU)—HVAC Controls<br>Tier 1—DCV / CO2 Control Only<br>Tier 2—ADEC + VFD (no DCV)<br>Tier 3—Full Package | $150 / ton<br>Tier 1—$40 / ton<br>Tier 2—$130 / ton<br>Tier 3—$150 / ton | • System must include a Variable Speed Drive (VSD), Advanced Digital Economizer Controller (ADEC), and CO2 sensor to enable fan speed modulation based on occupancy and ventilation requirements<br>• Existing system must be a single-zone DX packaged roof top unit with gas heat, cooling-only, or heat-pump operation<br>• Existing system must have a constant-volume supply fan<br>• The existing system must have functional airside economizer<br>• Economizer repairs or maintenance should be completed prior to or concurrent with the control upgrade |
| HV05 | Packaged Terminal Heat Pumps (PTHP) | $200 / unit | • Must replace an existing lower-efficiency PTHP, or be installed as a higher-than-code efficiency unit in cases of equipment burnout or tenant improvement (not new construction)<br>• New equipment must exceed the following minimum efficiency thresholds, based on unit size and type:<br>- PTHP (cooling): EER = 14.0 - 0.300*(Cap/1000)<br>- PTHP (heating): COP = 3.7 - 0.052*(Cap/1000)<br>**Required documentation for the rebate application:**<br>• Provide a photo(s) of the nameplate on the installed equipment<br>• Provide manufacturer specification sheet(s) verifying performance ratings, obtained from credible sources such as AHRI |

# Heating Ventilation and Air Conditioning (HVAC) Equipment CONTINUED

| Product Code | Equipment | $ Rebate / Unit | Eligibility Requirements |
|---|---|---|---|
| BE01 (Continued) | Electrification—Heat Pump HVAC System<br>Configuration: Packaged or Split | $2,000 / ton<br>+<br>*$50,000 / project<br>*Add-on to qualifying Heat Pump HVAC projects (BE01). Covers up to 50% of eligible costs, whichever is less.* | **Standard rebate:**<br>Earn $2,000 / ton for labor and material costs related to replacing gas-fired HVAC with a qualifying high-efficiency commercial heat pump.<br>• Must replace an existing gas-fired HVAC system<br>• Packaged or split heat pump must meet minimum efficiency requirements:<br>- < 65,000 BTUH split-system heat pumps: minimum 14.3 SEER2 and 7.5 HSPF2<br>- < 65,000 BTUH packaged heat pumps: minimum 13.4 SEER2 and 6.7 HSPF2<br>- 65,000 to 135,000 BTUH: minimum 16 IEER and 3.4 COP<br>- 135,000 to 240,000 BTUH: minimum 15.5 IEER and 3.4 COP<br>- 240,000 to 760,000 BTUH: minimum 14 IEER and 3.4 COP<br>**Required documentation for the rebate application:**<br>• Photo(s) of the nameplate on installed equipment<br>• Manufacturer spec sheet(s) verifying performance ratings (e.g. from AHRI)<br>• Contractor's estimate for a like-for-like gas system replacement<br>**Add-on rebate: up to $50,000 / project—permitting, compliance, and infrastructure**<br>Covers up to 50% of eligible costs or $50,000, whichever is less. Must be paired with a qualifying BE01 rebate (not available standalone).<br>**Eligibility costs**<br>• City permitting fees<br>• Permitting compliance costs (e.g., sound studies, mitigation, screening)<br>• Electrical infrastructure upgrades (e.g., panel or transformer upgrades)<br>*Excludes labor and materials for equipment installation.*<br>**Eligibility requirements**<br>• Must be paired with a qualifying BE01 heat pump HVAC rebate<br>• Costs must be necessary to support the BE01 installation<br>• Project must comply with all applicable program requirements and local codes<br>**Required documentation for the rebate application:**<br>• Itemized invoices for all eligible costs (engineering, compliance, electrical infrastructure upgrades) |

# Heating Ventilation and Air Conditioning (HVAC) Equipment CONTINUED

| Product Code | Equipment | $ Rebate / Unit | Eligibility Requirements |
|---|---|---|---|
| HV06 | Variable Refrigerant Flow (VRF) Systems | $750 / ton | • Must be an air-source VRF system (cooling-only or heat pump) serving a commercial building or space. May include multi-zone systems with individual indoor units<br>• Must replace existing packaged or split DX systems (rooftop unit or ducted split systems) or install a high-efficiency replacement for older VRF systems<br>• New construction or burnout replacements must exceed minimum code efficiency requirements to be eligible<br>• New equipment must exceed the following minimum efficiency thresholds, based on unit size and type:<br>< 65,000 BTUH: 13.0 SEER 7.7 HSPF<br>65,000 - 134,999 BTUH: 11.0 EER and 14.6 IEER<br>135,000 - 239,999 BTUH: 10.6 EER and 13.9 IEER<br>≥ 240,000 BTUH: 9.5 EER and 12.7 IEER<br>**Required documentation for the rebate application:**<br>• Provide a photo(s) of the nameplate on the installed equipment<br>• Provide manufacturer specification sheet(s) verifying performance ratings, obtained from credible sources such as AHRI |

# Laundry System and Pipe Installation

| Product Code | Equipment | $ Rebate/Unit | Eligibility Requirements |
|---|---|---|---|
| AG06 | Ozone Laundry System (for use with commercial washing machines) | $75 / pound of washing machine capacity | • Customer must have a gas-fire boiler or gas water heater that supplies hot water to the on-premises laundry equipment<br>• The ozone laundry system(s) must be a new purchased device and installed as an add-on to new or existing commercial washing machine(s)<br>• The ozone laundry system(s) must transfer ozone into the water using either Venturi Injection or Bubble Diffusion technology<br>**Required documentation for the rebate application:**<br>• Total number of guest rooms must be listed on the invoice (hotels)<br>• Manufacturer's specification sheet with the name, model number, and serial number(s)<br>**Stackable rebate opportunity:**<br>• This measure may also quality for the **Valley Water Efficient Technology (WET) rebate** Customer are encourage to apply for both rebates to maximize savings |
| WH09 | Commercial Steam Trap (any pressure) | $50 / unit | • Eligible for commercial end-use customers, including facilities such as dry cleaners<br>• New commercial steam traps must be installed one-for-one to replace existing traps that have failed or have been in service for at least five years<br>**Required documentation for the rebate application:**<br>• Manufacturer's specification sheet for the replacement steam trap<br>• Invoice listing purchase details |
| WH10 | Pipe Insulation<br>1" Pipe<br>Low-Pressure Steam System (<15 psig; 200 - 250F) | $6 / linear feet | • One or two inches of fiberglass, foam, or calcium silicate insulation must be added to existing, non-residential pipe systems<br>• Eligible pipes must carry fluid directly from gas-fired equipment<br>**Required documentation for the rebate application:**<br>• Manufacturer's name, insulation material type, and material thermal conductivity (k-value) rating of the insulation<br>• Invoice listing purchase details |

# Laundry System and Pipe Installation CONTINUED

| Product Code | Equipment | $ Rebate/Unit | Eligibility Requirements |
|---|---|---|---|
| WH12 | Pipe Insulation<br>2” Pipe<br>Low-Pressure Steam System (<15 psig; 200 - 250F) | $8 / linear feet | • One or two inches of fiberglass, foam, or calcium silicate insulation must be added to existing, non-residential pipe systems<br>• Eligible pipes must carry fluid directly from gas-fired equipment<br>**Required documentation for the rebate application:**<br>• Manufacturer’s name, insulation material type, and material thermal conductivity (k-value) rating of the insulation<br>• Invoice listing purchase details<br>**Exclusions**<br>Pipes with pre-existing insulation and new pipe installation are not eligible |

# Lighting

Lighting rebates are considered a custom rebate and requires the use of the **CPAU Lighting Calculator**. The rebate is $0.07/kWh. Lighting products must be approved and listed on the **ENERGY STAR® Lights Fixtures** or **Design Lights Consortium** Lists. For custom rebates requirements, refer to **Custom Rebates**.

# Refrigeration Equipment

| Product Code | Equipment | $ Rebate/Unit | Eligibility Requirements |
|---|---|---|---|
| RE01 | Anti-Sweat Heater (ASH) Controls<br>Low Temperature | $80 / linear feet | • Control must sense relative humidity and automatically reduce or disable anti-sweat heaters on glass doors and frames during periods of low humidity<br>• Equivalent condensation-sensing technologies are eligible<br>• Rebate is calculated per linear foot of controlled display case<br>**Exclusions**<br>Not eligible in combination with the New Refrigeration rebates RE18, RE19 |
| RE02 | Anti-Sweat Heater (ASH) Controls<br>Medium Temperature | $40 / linear feet | • Control must sense relative humidity and automatically reduce or disable anti-sweat heaters on glass doors and frames during periods of low humidity<br>• Equivalent condensation-sensing technologies are eligible<br>• Rebate is calculated per linear foot of controlled display case<br>**Exclusions**<br>Not eligible in combination with the New Refrigeration rebates RE18, RE19 |
| RE03 | Automatic Door Closer for Walk-in Coolers<br>Cooler Doors | $40 / unit | • Must be installed on main insulated door of a walk-in cooler<br>• Must firmly close the door when it is within one inch of full closure |
| RE04 | Automatic Door Closer for Walk-in Freezers<br>Freezer Doors | $50 / unit | • Must be installed on main insulated door of a walk-in cooler<br>• Must firmly close the door when it is within one inch of full closure |
| RE18 | New Refrigeration Display Case with Doors<br>Low Temperature | $230 / linear feet | • Must replace an existing open multi-deck display case with a new, high-efficiency reach-in case featuring standard glass doors, Electronically Commutated Motor (ECM) fans, and LED lighting<br>• The length of the new case must not exceed the original case length<br>**Exclusions**<br>This measure is limited to remote display cases. Deli cases, custom refrigeration units, and walk-in units with reach-in doors do not qualify for this rebate. |

# Refrigeration Equipment CONTINUED

| Product Code | Equipment | $ Rebate/Unit | Eligibility Requirements |
|---|---|---|---|
| RE19 | New Refrigeration Display Case with Doors<br>Medium Temperature | $75 / linear feet | • Must replace an existing open multi-deck display case with a new, high-efficiency reach-in case featuring standard glass doors, Electronically Commutated Motor (ECM) fans, and LED lighting<br>• The length of the new case must not exceed the original case length<br>**Exclusions**<br>This measure is limited to remote display cases. Deli cases, custom refrigeration units, and walk-in units with reach-in doors do not qualify for this rebate. |
| RE22 | Vending Machine Controller<br>Refrigerated | $100 / unit | • For machines without built-in lighting or compressor occupancy controls |
| RE23 | Vending Machine Controller<br>Non-Refrigerated | $40 / unit | • For machines without built-in lighting or compressor occupancy controls |
| RE24 | LED Refrigerator Display Case Lighting with Occupancy Sensor<br>6 feet<br>Replacing Single-Lamp Fixture | $35 / door | • Must include LED fixtures designed for refrigerated cases with integrated occupancy sensors<br>• Fixtures must be mounted at both the center and end of the case<br>**Exclusions**<br>• Tubular LED lamps are not eligible<br>• Tubular fluorescent sockets (tombstones) or fluorescent ballasts are not eligible<br>• Standard commercial lighting products are not eligible<br>• Lamps must be operational to quality; burned-out lamps are not eligible |
| RE25 | LED Refrigerator Display Case Lighting with Occupancy Sensor<br>6 feet<br>Replacing Single-Lamp Fixture | $40 / door | • Must include LED fixtures designed for refrigerated cases with integrated occupancy sensors<br>• Fixtures must be mounted at both the center and end of the case<br>**Exclusions**<br>• Tubular LED lamps are not eligible<br>• Tubular fluorescent sockets (tombstones) or fluorescent ballasts are not eligible<br>• Standard commercial lighting products are not eligible<br>• Lamps must be operational to quality; burned-out lamps are not eligible |

# Refrigeration Equipment CONTINUED

| Product Code | Equipment | $ Rebate/Unit | Eligibility Requirements |
|---|---|---|---|
| RE26 | LED Refrigerator Display Case Lighting with Occupancy Sensor<br>5 feet<br>Replacing Single-Lamp Fixture | $35 / door | • Must include LED fixtures designed for refrigerated cases with integrated occupancy sensors<br>• Fixtures must be mounted at both the center and end of the case<br>**Exclusions**<br>• Tubular LED lamps are not eligible<br>• Tubular fluorescent sockets (tombstones) or fluorescent ballasts are not eligible<br>• Standard commercial lighting products are not eligible<br>• Lamps must be operational to quality; burned-out lamps are not eligible |
| RE27 | LED Refrigerator Display Case Lighting with Occupancy Sensor<br>5 feet<br>Replacing Multi-Lamp Fixture | $40 / door | • Must include LED fixtures designed for refrigerated cases with integrated occupancy sensors<br>• Fixtures must be mounted at both the center and end of the case<br>**Exclusions**<br>• Tubular LED lamps are not eligible<br>• Tubular fluorescent sockets (tombstones) or fluorescent ballasts are not eligible<br>• Standard commercial lighting products are not eligible<br>• Lamps must be operational to quality; burned-out lamps are not eligible |

# Restaurants, Commercial Kitchens, Food Services Equipment

| Product Code | Equipment | $ Rebate / Unit | Eligibility Requirements |
|---|---|---|---|
| FS01 | Commercial Combination Oven<br>Electric Only | $1,500 / unit | • Model must meet ENERGY STAR® Version 3.0 specification<br>• Combination oven must achieve a minimum cooking-energy efficiency of 55% in steam mode and 78% or greater in convection mode (electric operation)<br>• For a list of rebate-qualified models, visit **energystar.gov/products/business** |
| FS03 | Commercial Convection Oven<br>Electric Only | $500 / unit | • Model must meet ENERGY STAR® Version 3.0 specification<br>• Cooking-energy efficiency (electric convection):<br>- Half-size models: ≥ 71%<br>- Full-size models (≥ 5 full-size sheet pans): ≥ 76%<br>• Idle-energy rate (electric convection):<br>- Half-size models: ≤ 1.0 kW<br>- Full-size models (≥ 5 full-size sheet pans): ≤ 1.40 kW<br>• For a list of rebate-qualified models, visit **energystar.gov/products/business** |
| BE06 | Electrification-Convection Oven<br>Half Size | $1,200 | • Must replace an existing gas convection oven<br>• Convection oven must meet ENERGY STAR® Version 3.0 specifications<br>**Required documentation for the rebate application:**<br>- Provide a photo(s) of the nameplate on the installed equipment<br>- Projects that included electrical infrastructure upgrades must provide itemized invoices showing all associated costs |
| BE07 | Electrification-Convection Oven<br>Full Size | $2,500 | • Must replace an existing gas convection oven<br>• Convection oven must meet ENERGY STAR® Version 3.0 specifications<br>**Required documentation for the rebate application:**<br>- Provide a photo(s) of the nameplate on the installed equipment<br>- Projects that included electrical infrastructure upgrades must provide itemized invoices showing all associated costs |

# Restaurants, Commercial Kitchens, Food Services Equipment CONTINUED

| Product Code | Equipment | $ Rebate / Unit | Eligibility Requirements |
|---|---|---|---|
| BE08 | Electrification<br>Induction Cooktop | $1,000 per hob | • Must replace an existing gas cooktop, range, or other cooking equipment<br>- Portable or built-in models are not eligible unless explicitly permitted<br>- Dual-fuel (gas and electric) ranges are ineligible<br>• Induction cooktop must be full-size (minimum 24” width) and permanently installed. Portable unit are not eligible<br>• Commercial-grade units must have a minimum power of 2.5kW per burner<br>• Gas line(s) serving removed gas equipment must be capped<br>• Induction cooking equipment must meet at least one of the following certifications:<br>- ENERGY STAR® certified (where applicable)<br>- UL listed and NSF, ETL, or CSA certified for commercial equipment<br>**Required documentation for the rebate application:**<br>- Provide a photo(s) of the nameplate on the installed equipment<br>- Projects that included electrical infrastructure upgrades must provide itemized invoices showing all associated costs<br>- Purchase invoice(s) listing the manufacturer, model number, and date of purchase<br>- Before-and-after photos showing the new installed induction cooktop |
| FS07 | Electric Commercial Fryer | $650 / vat | • Fryers with vat widths less than 18 inches must meet ENERGY STAR® Version 3.0 specification:<br>- Heavy-load cooking energy efficiency: > 83%<br>- Idle energy rate: ≤ 800 W<br>• Fryers with vat width 18 inches or greater must meet ENERGY STAR® Version 3.0 specification:<br>- Heavy-load cooking energy efficiency: > 80%<br>- Idle energy rate: ≤ 1,100 W<br>• For a list of rebate-qualified models, visit **energystar.gov/products/business** |
| BE09 | Electrification—Fryer | $5,000 / vat | • Must replace an existing gas equivalent<br>• Electric fryers must meet ENERGY STAR® Version 3.0 specifications.<br>**Required documentation for the rebate application:**<br>- Provide a photo(s) of the nameplate on the installed equipment<br>- Projects that included electrical infrastructure upgrades must provide itemized invoices showing all associated costs |

# Restaurants, Commercial Kitchens, Food Services Equipment CONTINUED

| Product Code | Equipment | $ Rebate / Unit | Eligibility Requirements |
|---|---|---|---|
| FS11 | Commercial Griddle<br>Electric only | $400 / unit | • Griddle must have a tested heavy-load cooking energy efficiency ≥ 70%<br>• Idle energy rate must be ≤ 320 W per square foot of cooking surface<br>For a list of rebate-qualified models, visit **energystar.gov/products/business** |
| FS13 | Commercial Steam Cooker<br>Electric | $2,000 / unit | • Cooker must meet ENERGY STAR® Version 1.2 specification for energy efficiency or demonstrate a tested heavy-load cooking energy efficiency ≥ 50%<br>For a list of rebate-qualified models, visit **energystar.gov/products/business** |
| FS28 | Commercial Ice Machine<br>Self-Contained Unit<br>≤ 100 (lbs/day) | $50 / unit | • Only air-cooled machines are eligible, including self-contained units, ice-making heads, or remote condensing units<br>• Must meet ENERGY STAR® Version 3.0 specifications for Automatic Commercial Ice Makers<br>• Eligible ice types include cubes ≤ 60 g (2 oz), as well as flaked, crushed, and fragmented ice makers<br>• Rebate amounts vary by ice-making rate (lbs/day) and equipment type: self-contained units (SCU), ice-making heads (IMH), and remote condensing units (RCU)<br>• The entire AHRI-tested ice-making system must be purchased<br>• Remote machines must be purchased with a qualifying remote condenser or remote condenser/compressor unit<br>For a list of rebate-qualified models, visit **energystar.gov/products/business** |
| FS29 | Commercial Ice Machine<br>Self-Contained Unit<br>101 - 200 (lbs/day) | $75 / unit | • Only air-cooled machines are eligible, including self-contained units, ice-making heads, or remote condensing units<br>• Must meet ENERGY STAR® Version 3.0 specifications for Automatic Commercial Ice Makers<br>• Eligible ice types include cubes ≤ 60 g (2 oz), as well as flaked, crushed, and fragmented ice makers<br>• Rebate amounts vary by ice-making rate (lbs/day) and equipment type: self-contained units (SCU), ice-making heads (IMH), and remote condensing units (RCU)<br>• The entire AHRI-tested ice-making system must be purchased<br>• Remote machines must be purchased with a qualifying remote condenser or remote condenser/compressor unit<br>For a list of rebate-qualified models, visit **energystar.gov/products/business** |

# Restaurants, Commercial Kitchens, Food Services Equipment CONTINUED

| Product Code | Equipment | $ Rebate/Unit | Eligibility Requirements |
|---|---|---|---|
| FS30 | Commercial Ice Machine<br>Self-Contained Unit<br>> 201 (lbs/day) | $125 / unit | • Only air-cooled machines are eligible<br>• Must meet ENERGY STAR® Version 3.0 specifications for Automatic Commercial Ice Makers<br>• Eligible ice types include cubes ≤ 60 g (2 oz), as well as flaked, crushed, and fragmented ice makers<br>• The entire AHRI-tested ice-making system must be purchased<br>For a list of rebate-qualified models, visit **energystar.gov/products/business** |
| FS31 | Ice Making Heads<br>≤ 300 lbs/day | $75 / unit | • Only air-cooled machines are eligible<br>• Must meet ENERGY STAR® Version 3.0 specifications for Automatic Commercial Ice Makers<br>• Eligible ice types include cubes ≤ 60 g (2 oz), as well as flaked, crushed, and fragmented ice makers<br>• The entire AHRI-tested ice-making system must be purchased<br>For a list of rebate-qualified models, visit **energystar.gov/products/business** |
| FS32 | Ice Making Heads<br>301 - 800 lbs/day | $125 / unit | • Only air-cooled machines are eligible<br>• Must meet ENERGY STAR® Version 3.0 specifications for Automatic Commercial Ice Makers<br>• Eligible ice types include cubes ≤ 60 g (2 oz), as well as flaked, crushed, and fragmented ice makers<br>• The entire AHRI-tested ice-making system must be purchased<br>For a list of rebate-qualified models, visit **energystar.gov/products/business** |
| FS36 | Ice Making Heads<br>801 - 1,500 lbs/day | $200 / unit | • Only air-cooled machines are eligible<br>• Must meet ENERGY STAR® Version 3.0 specifications for Automatic Commercial Ice Makers<br>• Eligible ice types include cubes ≤ 60 g (2 oz), as well as flaked, crushed, and fragmented ice makers<br>• The entire AHRI-tested ice-making system must be purchased<br>For a list of rebate-qualified models, visit **energystar.gov/products/business** |

# Restaurants, Commercial Kitchens, Food Services Equipment CONTINUED

| Product Code | Equipment | $ Rebate / Unit | Eligibility Requirements |
|---|---|---|---|
| FS37 | Ice Making Heads<br>≥ 1,501 lbs/day | $300 / unit | • Only air-cooled machines are eligible<br>• Must meet ENERGY STAR® Version 3.0 specifications for Automatic Commercial Ice Makers<br>• Eligible ice types include cubes ≤ 60 g (2 oz), as well as flaked, crushed, and fragmented ice makers<br>• The entire AHRI-tested ice-making system must be purchased<br>For a list of rebate-qualified models, visit **energystar.gov/products/business** |
| FS38 | Remote Condensing Units<br>≤ 988 lbs/day | $200 / unit | • Only air-cooled machines are eligible<br>• Must meet ENERGY STAR® Version 3.0 specifications for Automatic Commercial Ice Makers<br>• Eligible ice types include cubes ≤ 60 g (2 oz), as well as flaked, crushed, and fragmented ice makers<br>• The entire AHRI-tested ice-making system must be purchased. For remote systems, the ice-making head and matching condenser must be installed as a qualified pair<br>• Remote machines must be purchased with a qualifying remote condenser or remote condenser/compressor unit<br>For a list of rebate-qualified models, visit **energystar.gov/products/business** |
| FS39 | Remote Condensing Units<br>> 989 lbs/day | $300 / unit | • Only air-cooled machines are eligible<br>• Must meet ENERGY STAR® Version 3.0 specifications for Automatic Commercial Ice Makers<br>• Eligible ice types include cubes ≤ 60 g (2 oz), as well as flaked, crushed, and fragmented ice makers<br>• The entire AHRI-tested ice-making system must be purchased. For remote systems, the ice-making head and matching condenser must be installed as a qualified pair<br>• Remote machines must be purchased with a qualifying remote condenser or remote condenser/compressor unit<br>For a list of rebate-qualified models, visit **energystar.gov/products/business** |

# Restaurants, Commercial Kitchens, Food Services Equipment CONTINUED

| Product Code | Equipment | $ Rebate/Unit | Eligibility Requirements |
|---|---|---|---|
| FS33 | Insulating Holding Cabinets<br>Full-Size | $600 / unit | • Must meet the Consortium for Energy Efficiency (CEE) Tier II specification<br>• Idle energy rate must not exceed 20 W per cubic foot, tested in accordance with ASTM Standard F2140<br>• Eligible equipment must be electric hot food holding cabinets that are fully insulated and equipped with solid doors<br>• For a list of rebate-eligible products, refer to the latest version of CEE's **Commercial Kitchen Hot Food Holding Cabinets Qualifying Product List**<br>**Exclusions**<br>Cook-and-hold equipment is not eligible |
| FS34 | Insulating Holding Cabinets<br>Half-Size | $200 / unit | • Must meet the Consortium for Energy Efficiency (CEE) Tier II specification<br>• Idle energy rate must not exceed 20 W per cubic foot, tested in accordance with ASTM Standard F2140<br>• Eligible equipment must be electric hot food holding cabinets that are fully insulated and equipped with solid doors<br>• For a list of rebate-eligible products, refer to the latest version of CEE's **Commercial Kitchen Hot Food Holding Cabinets Qualifying Product List**<br>**Exclusions**<br>Cook-and-hold equipment is not eligible |
| FS35 | Demand-Control Kitchen Ventilation System<br>New or Retrofit | $1,400 / HP | • Must be installed on an existing commercial kitchen exhaust hood and make-up air system<br>• Must incorporate temperature and optical smoke sensors to automatically adjust fan speeds based on cooking load<br>• Must be integrated with variable speed drive (VSD) fan motor controls |

# Water Efficiency

| Product Code | Equipment | $ Rebate / Unit | Eligibility Requirements |
|---|---|---|---|
| WE01 | High-Efficiency Toilet | $250 / unit | • Replace existing restroom fixtures with MaP Premium certified toilets with a maximum flush volume of 1.1 gpf and minimum waste removal of 600 gram<br>• New fixtures must replace 1.6 gpf or greater units to qualify<br>**Required documentation for the rebate application:**<br>• Make and model of new fixture and proof of purchase<br>• Make, model, and flush volume of old fixture<br>• Photo(s) of the new installed fixtures<br>**Exclusions**<br>• New construction must install new efficient fixtures per code<br>• Customers cannot participate in both CPAU's rebate program and **Valley Water's DRIP program** |
| WE02 | High-Efficiency Urinal | $250 / unit | • Replace existing restroom fixtures with high-efficiency models, including ultra-low-volume urinals rated at 0.125 gallons per flush (gpf) or less, or waterless urinals<br>• New fixtures must replace 1.0 gpf or greater units to qualify<br>**Required documentation for the rebate application:**<br>• Make and model of new fixture and proof of purchase<br>• Make, model, and flush volume of old fixture<br>• Photo(s) of the new installed fixtures<br>**Exclusions**<br>• New construction must install new efficient fixtures per code<br>• Customers cannot participate in both CPAU's rebate program and **Valley Water's DRIP program** |

# Water Efficiency

## VALLEY WATER COMMERCIAL WATER REBATES

The City partners with Valley Water to bring expanded water-saving rebate opportunities to commercial properties in Palo Alto. These programs help reduce water use and lower operating costs while supporting your sustainability goals and are stackable with Palo Alto's rebates.

**Water Efficient Technology (WET) Rebate:** Get up to $100,000 for equipment upgrades that reduce water use, such as ozone laundry retrofits, onsite water reuse systems, cooling tower efficiency improvements, and other custom technologies. Rebates are based on measured water savings and must save at least 100 CCF per year to be eligible. View details and steps to qualify for the WET Rebate.

**Landscape Conversion Rebate:** Convert high-water-use lawns to beautiful water-efficient landscapes. Get a rebate of up to $4/square foot. View details and steps to qualify for the Landscape Conversion Rebate

**Irrigation Equipment Upgrade Rebate:** Replace qualifying inefficient irrigation hardware with approved efficient equipment (includes weather-based irrigation controllers, rain sensors, and more). View details and steps to qualify for the Irrigation Equipment Upgrade Rebate.

Apply and find **all available rebates**.

Customers must submit an application and receive written approval in the form of a Notice to Proceed before starting any work on their project or purchasing any qualifying equipment.

# 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
- Process electrification replacing natural gas

Custom electrification rebates are paid at $0.30 per kWh-e saved, based on the following formula:

- [Net kWh-e] = [$kWh_gas_1$] + [$kWh_elec_1$] - [$kWh_electric_2$]

Where:

- [$kWh_gas_1$] = Annual gas energy usage of existing gas equipment (Converted from therms using 29.3 kWh/therm)
- [$kWh_elec_1$] = Annual electricity used by the existing equipment in kWh
- [$kWh_elec_2$] = Annual electricity used by the proposed electric equipment in kWh
- [Net kWh-e] = Annual net energy savings in kWh

Eligibility Requirements:

- Project must fully eliminate natural gas usage
- Can not be based on behavioral or operational changes
- Savings calculation must be stamped by a California-licensed professional engineer
- Must include a Measurement & Verification (M&V) Plan approved by CPAU
- Pre-approval is required for all projects
- Cannot combine electrification and energy efficiency rebates
- Incentives are capped at 50% of the project cost, or $100,000, whichever is lower

**Application Process**

- Please refer to the application process under **Custom Rebates**.

# Custom Energy Efficiency Rebates

The custom rebate option is available for retrofit and retro-commissioning projects that do not qualify for prescriptive (standard) rebates. Eligible projects may include control upgrades or modifications to air conditioning systems that result in measurable electric and/or gas savings. A licensed professional engineer must calculate and document the projected energy savings for the project. All custom rebate applications require pre- and post-installation inspections by CPAU. Written project approval must be obtained prior to equipment purchase and installation.

## APPLICATION PROCESS

1. Read the **Program Eligibility Requirements**, **Terms and Conditions**, and the Custom Rebates section (this page)
2. An energy savings report must be prepared and stamped by a licensed professional engineer. Refer to Savings Estimation for additional requirements.
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. Equipment may not be purchased until the Notice of Approval is received.
5. Order, purchase, and install the approved equipment within 180 days of receiving your Notice of Approval. After installation, upload proof of purchase and all supporting documentation using the link provided by the Notice of Approval.
6. CPAU will schedule a post-installation inspection. Upon approval of the completed project, the rebate check will be issued within 2-4 weeks.

## CUSTOM REBATE AMOUNTS

Standard rebates offer a fast and easy way to receive incentives.

1. Electric Custom Rebate: $0.15 per kilowatt-hour (kWh) of first-year savings
2. Lighting Rebate: $0.07 per kWh of first-year savings
3. Variable Speed Drive (VSD) Rebate: $0.15 per kWh of first-year savings
4. Retro-Commissioning Rebate: $0.10 per kWh of first-year savings
5. Gas Custom Rebate: $1.25 per therm of first-year savings
6. Custom Rebates are capped at 50% of total project cost, or $100,000, whichever is lower
7. The custom rebate may be used in place of a prescriptive rebate only when the calculated custom rebate is at least 10% greater than the prescriptive rebate amount
8. All rebates are contingent upon CPAU's verification of the project's measured or calculated energy savings

# Custom Energy Efficiency Rebates CONTINUED

## QUALIFYING ENERGY EFFICIENCY MEASURES

1. Only retrofit projects for existing operating equipment are eligible
2. Projects must exceed all applicable federal and state efficiency standards
3. Replacement equipment must have a minimum operational lifetime of 5 years
4. New construction projects are ineligible

## SAVINGS ESTIMATION REQUIREMENTS

1. A State of California licensed professional engineer, in the relevant discipline, must prepare and stamp all energy savings calculations
2. Variable Speed Drives (VSDs) must use the **CPAU VSD Calculator** to determine energy savings
3. All lighting projects must use the **CPAU Lighting Calculator** to determine energy savings
4. Estimate the annual energy use of the existing equipment or process being replaced using efficiency values from accepted state or federal standards. If these values are unavailable, manufacturer-provided efficiency values for the existing equipment may be used.
5. CPAU reserves the right to verify project energy savings through independent measurement and evaluation and may approve or decline projects based on the results
6. At CPAU's discretion, other methods of calculating savings may also be accepted
7. Savings calculations must document product specifications, hours of operation, baseline derivation, and all assumptions used to support the estimates. Include the results of any simulation programs utilized.

# Terms and Conditions

1. Applicant must be on a commercial rate electric, gas, and/or water rate schedule with the City of Palo Alto Utilities (CPAU) at the time of application to participate in the Business Customer Rebate 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 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"). To receive a rebate, equipment must meet all eligibility requirements and specifications outlined in the catalog.
7. Incentives are capped at 50% of the project cost, or $100,000, whichever is lower.
8. 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.
9. 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.
10. 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.
11. Applicant agrees to participate voluntarily in the Program.
12. Applicant certifies that it meets the Program Eligibility Requirements and that the information is true and correct to the best of its knowledge.
13. Applicant certifies that it has read and understood the Eligibility Requirements listed in the Catalog and the Terms and Conditions.
14. If Applicant is a tenant, Applicant certifies that it has obtained the property owner's permission to install equipment.
15. 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.
16. 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 encouraged to consult a tax advisor concerning Program rebates and incentives.
17. Applicant understands that participation in the Program is contingent upon CPAU's approval of the rebate application.
18. Applicant understands that if CPAU approves a rebate application, a Notice of Approval will be issued specifying the potential reimbursement amount, project deadline, and other terms.
19. Applicant understands that any changes to the Notice of Approval must be in writing and approved by CPAU.
20. Applicant understands CPAU reserves the right to limit the number of products rebated.
21. Applicant understands that all projects must be completed within the City of Palo Alto Utilities (CPAU) service territory. Copies of invoices and any additional supporting documentation requested by CPAU must be provided as a condition of receiving rebates.
22. Applicant understands that rebates may be contingent on pre- and post-installation inspections or performance measurements, and that rebate amounts may be adjusted based on their results. Therefore, Applicant agrees to provide CPAU or its agents with access to the project site as needed.